

JPRS-KAR-88-017  
7 SEPTEMBER 1988



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# ***JPRS Report***

## **East Asia**

***Korea***

19990510 111

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NATIONAL TECHNICAL INFORMATION SERVICE  
SPRINGFIELD, VA. 22161

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# East Asia

## Korea

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### CONTENTS

7 SEPTEMBER 1988

#### OLYMPICS

Olympic Committee Chairman Kim Chong-ha on North's Attitude .....	1
Pyongyang Asserts Participants Worried, Tear Gas To Spoil Games .....	3

#### SOUTH KOREA

##### POLITICAL

Two Kims Seek To 'Cultivate' Popularity .....	6
Ruling, Opposition Parties Brace for Confrontation Over Veto of Bills .....	7
Reunification Struggle New Issue for Student Movement .....	9

##### ECONOMIC

Central Bank To Enforce Tight Money Policy .....	16
Daily on Money Supply, Price Policies .....	17
Third Quarter Prospects for Various Industries Detailed .....	17
Large Corporations' Plant, Equipment Investment .....	22
Ramifications of Samsung Companies Merger Noted .....	23
Samsung Group Concentrates on Petrochemical Industry .....	24
Paper Says Government Should Focus on Curbing Speculation .....	25

##### SCIENCE & TECHNOLOGY

Basic Space, Aeronautics Program Considered .....	25
Government Plans High-Tech Research Projects .....	26

##### FOREIGN RELATIONS, TRADE

Interview With Chinese Scholar on Trade With Korea .....	26
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#### NORTH KOREA

##### POLITICAL

Officials Attend Opening of Electrified Railroad .....	28
NODONG SINMUN Editorials for June 1988 .....	28

##### MILITARY

People's Army Role as 'Army of Leader' Kim Chong-Il Strengthened .....	31
Weapons Export, Military Support Detailed /Seoul NAEWOE TONGSIN No 597, 15 Jul/ .....	32

##### ECONOMIC

KCNA Reports Development of Mining Industry .....	33
Coal Production Increases at Tokchon Complex .....	34
Smelter Commissions Nonferrous Metals System .....	34
New Smelter, Mine Commissioned .....	35
Construction of Power Stations Increases .....	35
Power Stations Boost Output in 200-Day Campaign .....	35
Wiwon Power Station Starts Partial Operation .....	35
Taechon Power Station Begins Production .....	36

Targets of 200-Day Campaign Achieved .....	36
KCNA Reports Development of Metal Industry .....	36
Light Industry Reported Developing Rapidly .....	37
Machine Complex Fulfills Campaign Goals .....	38
North Produces Own Style Buses .....	38
Nampo Shipyard Builds Ship To Fight Oil Pollution .....	38
KCNA Reports Achievements in Railway Transport .....	38
Hyesan-Manpo Railroad Line Completed .....	39
Builders Promise Continued Early Completion of Railways .....	39
Fertilizer Plant Begins Production .....	39

## FOREIGN RELATIONS, TRADE

Seoul Paper Examines Continuing Soviet Economic Support of DPRK .....	40
<i>[Seoul NAEWOE TONGSIN No 591, 3 Jun]</i> .....	41
NAEWOE TONGSIN Reports Kim Il-song Visit to Mongolia, PRC, Soviet Border Towns .....	41
Technical Cooperation Among Developing Countries Urged .....	43

**Olympic Committee Chairman Kim Chong-ha on North's Attitude**  
41070071 Seoul CHOSON ILBO in Korean  
26 May 88 p 3

[Yi Hong-yol reports on an interview with Kim Chong-ha, chairman of the Korean Olympic Committee; date and place not specified]

[Text] The Seoul Olympics, scheduled to take place in just over 100 days, is expected to be a success both domestically and internationally. This is due not only to the fact that preparations are proceeding smoothly, but also to the participation of nations with which friendly relations are lacking, such as the Soviet Union and the People's Republic of China. The question of north Korean participation, which had been a matter of great interest recently, has been finally answered by an overseas report of Kim Il-song's position not to participate. Unfortunately, the steady effort by the south has been in vain.

In order to learn the underlying reasons for the nonparticipation of the north as well as about our position, Chairman of the Korean Olympic Committee Kim Chong-ha, who has been our point man for negotiating the participation of north Korea, was interviewed by deputy editor Choe Chong-nim and sports section chief Pak Kap-chol.

**They Negotiated After Deciding Not To Participate**

[Question] According to a news report from Tokyo dated the 25th, Kim Il-song of north Korea made clear his intention not to participate in the Seoul Olympics to the visiting president of Mozambique. Since north Korean participation was the final hurdle to overcome in order to achieve perfect Olympic Games, it is somewhat disappointing. Should we consider this their final decision?

[Answer] I felt this would be their answer all the time we were negotiating with them. I think they had decided not to participate from the start, and they were busy finding ways to shift the blame to our side. For this reason, I suspect that it would be rather difficult for them to have a change of heart and volunteer to participate.

[Question] It is not true that north Korea has changed its mind several times since Seoul was chosen to host the Olympics?

[Answer] When the right to host the Olympics was granted to Seoul at Baden Baden in 1981, the north Koreans insisted that the decision itself had to be overturned. Their reason was that the Korean peninsula was still in a state of war, had a considerable amount of foreign debt, and was under the "forced occupation" of the United States.

When north Korea realized that such absurd reasoning was not going to be persuasive, as an alternative it started a campaign of instigating a boycott by the East European bloc. Since at that time the 1984 Los Angeles Olympics were stymied by their solidarity, north Korea appeared to be optimistic about the outcome of its strategy. However, its calculations turned out to be wrong. Since then, four meetings have been held under the auspices of the International Olympics Committee, and it is clear that each time north Korea shifted its position, demurring on the basis of "the fixation of the two Koreas."

**North Korea Initiated Idea of Joint Participation**

[Question] According to Article 34 of the Olympic Charter, the right to host the Olympic Games is granted not to a nation, but to a city. Now why is it that the Republic of Korea, which won the right, or the IOC, whose charter is unequivocal, tried to persuade north Korea to participate.

[Answer] The right to host the Olympics is granted to a city instead of a nation in order to avoid political interference. From the standpoint of the IOC, it was only natural to hope that the entire world, including north Korea, would participate in an event in the Korean Peninsula, which was divided as a consequence of the cold war, and thereby work toward East-West harmony 12 years after the 1976 Olympics in Montreal. Since south Korea is superior in every respect, it is quite natural for us to be generous and reach out. In addition, there has been no change in our thinking that running together in Seoul would be shortcut to south-north unification.

[Question] You have participated four times in the south-north Sports Conference held in Lausanne under the auspices of the IOC. Could you describe for us the course of these meetings?

[Answer] I have been frustrated many times during the course of these meetings. From the first meeting in October 1985, our position was that of sincerely wanting the participation of north Korea. As proof of our honorable intentions, we offered to share part of the program so that some events could be staged in north Korea. Strictly speaking, this is against IOC regulations, but we were taking a liberal position regarding the IOC rules. That is to say, we reasoned that since we would be hosting the yachting games in Pusan, we could extend the same logic and host some games in north Korea.

[Question] That suggestion seems to have been a rather unorthodox one. How did the IOC react to it?

[Answer] The IOC chairman, Samaranch, recognized our position as a "difficult decision" and thought highly of our efforts. As an example of how sincere we were in inviting the participation of north Korea, I should mention one concrete offer we made. At the Olympics

opening ceremony, the host country's delegation enters the field last after all other delegations. This tradition is generally considered a privilege as well as a benefit accorded to the host country. Our side offered to the north that of the six rows of the delegation procession, half, namely, three rows, would be for the north Korean athletes. Keep in mind that the three rows we offered were the ones on the side of the royal box. In a symbolic sense, this would accord the status of a host country to north Korea.

Do you know what the north Korean reaction was? The north Korean side insisted that, first of all, the designation should be changed to the "24th Korean Olympics." If this change was not acceptable, it should be changed to the "24th Pyongyang-Seoul Tournament." They further demanded that the games should be divided into halves between the south and the north, the organization committee should be a joint committee, and the revenues from TV broadcasting and insignia sales should be equally divided. The IOC was forced to give up on north Korea.

#### Insistence on Forming Joint Teams

[Question] Even under these circumstances, you met four times. At the second meeting, the north Korean side came up with a proposal for forming joint teams between south and north Korea, if I remember correctly....

[Answer] The concept of joint teams is something our side had proposed long before they did. We pointed out to them that it was a task to be worked out between the south and the north, and not something the IOC should get involved in.

The mention of joint teams reminds me of another episode. Six months prior to the Los Angeles Olympics, north Korea proposed forming joint teams. Although the East European countries were boycotting the Olympics, we responded to their proposal by meeting with them three times. At the third meeting, however, they simply announced, "it not necessary to hold meetings any longer."

At the second meeting held in January 1986, we offered to the north the right to host preliminary games in three sports—handball, volleyball and soccer—and also made our position clear that the mass cycle tournament could be staged across the north and the south, linking the two halves. Our proposal had symbolic significance: if the race started in north Korea, crossed the military dividing line, and entered Seoul, it would have the symbolic meaning of tearing down the wall that divides the south and the north.

#### North Proposes Splitting Games by Population Ratio

[Question] At the third meeting, the north demanded the right to host eight events. What was the basis of this demand?

[Answer] The Seoul Olympics will host 23 events. The north was proposing that, considering the relative size of populations, the north should host one-third of the events. It was our side which had been proposing a general election by population ratio as a means of south-north unification. It was ironic that the north was now making this proposal [laughter].

In any event, the IOC visited north Korea to appraise the possibility of 25,000 Olympic athletes and their relatives freely visiting north Korea. The "pilot attempt" to arrive at Seoul through Panmunjom was thwarted because of the objections of the north. At the fourth and last meeting, the north made irrelevant demands such as the simultaneous holding of south-north NOC meetings, and then withdrew from the conference.

#### Even East European Delegates Were Critical

[Question] A period of 5 months elapsed between the second and third meetings. Was there a special reason for this long delay? What was the attitude of the north's delegation in coming to the meeting?

[Answer] The north took the attitude that they were in no hurry to negotiate. When we suggested deciding on the next meeting date, their reply was that they would respond upon returning to Pyongyang. They seemed to lack any decision-making power.

[Question] Well, then, how much decision-making power did you have in attending these meetings?

[Answer] To be candid with you, I naturally do have something like policy guidelines. Within the broad policy guidelines, however, I have discretion regarding such details as the number of events to concede to the north so long as it is within the confines of the IOC charter and regulations. I am chairman of the Korean Handball Association, and I received complaints from handball officials of other countries when I clearly indicated our willingness to concede handball to the north.

[Question] In spite of south Korea's continued concessions, north Korea persisted in its position of nonparticipation. What was the reaction of other nations, particularly the East European countries, throughout the negotiations?

[Answer] The ANOC plenary session was held in Seoul in April 1986. It was a big occasion where NOC delegates from 151 nations participated. At this meeting, the minister of physical education and NOC chairman of East Germany, Mr Ebalt, noted, "Although the demands of north Korea are clearly unreasonable, is it possible to grant preliminary games in two more events?" The tone of this request was similar to placating a spoiled child. At the IOC executive committee meeting held last April, IOC officials such as Smirnov of the Soviet Union and Ha Jin Ryang of the People's Republic of China ignored the question of granting additional games, but merely

asked if "the north's share of TV revenue could be given to them." I think what they were doing was that since they could not entirely ignore north Korea, they merely made a gesture of recognizing the interests of the north.

I would like to share an episode with you. Last June we went to Panmunjom with a group of officials including Siperko of Romania, an IOC committee member. At that time, there were antigovernment demonstrations in Seoul while a shortened marathon game was underway celebrating the hosting of the Olympics. Out of embarrassment, I said, "As you can see, our country is capable of allowing the coexistence of demonstrations and sports." The next day, there was the 29 June announcement. Their candid comments included, "This is a sign of maturing politics" and "I am convinced that the Olympics will be a success."

#### East Germany Participated in Munich Olympics

[Question] The pretext of the north for not participating in the Seoul Olympics is the "de facto recognition of two Koreas," i.e., the permanent fixation of the division of Korea. Although the number is small, some acknowledge this reasoning as valid. What is your opinion?

[Answer] In my opinion, cohosting would have the effect of recognizing the division as a given. The intent of north Korea is to host another independent tournament based on its share of events. The position of our KOC is that of offering an opportunity to participate under one unified organization committee and to seize an opportunity of mutual harmony as one people.

[Question] It will be the second time for the Olympics to be held in a divided country. The first was the 1972 Munich Olympics in West Germany. How was it then?

[Answer] After the 1952 Helsinki Olympics, West Germany immediately reinstated its membership in the IOC, and East Germany followed suit soon after. At Munich, the two Germanys did not succeed in forming joint teams. However, without making any demands for the separate hosting of events, East Germany participated as an independent NOC member.

Prior to the Munich Olympics, the two Germanys made various efforts to form joint teams, and they created a cooperative atmosphere for forming joint teams by meeting more than 200 times.

#### We Will Continue To Wait

[Question] How do you think north Korea will behave from now on? Would you welcome them if they change their mind even at this point?

[Answer] Even though time is running out. We would like to stage events in both north and south Korea. In connection with the demand for cohosting which north

Korea made, it should be understood clearly that the IOC position is very firm on this matter: cohosting is not possible even if the IOC were to be dissolved.

One cannot predict whether or not the north will resort to terrorism, but the chance is fairly high that it might do something like that. Unrelated to this, however, we wish to continue to expand sports exchange through both official and unofficial channels.

We should never do anything that might push them into a corner. I think we should try to bring them onto the world stage. Viewed from this perspective, I welcome the idea of the four-nation soccer meet consisting of south Korea, north Korea, the People's Republic of China, and Japan, which was mentioned by the chairman of the Korean Soccer Association, Kim U-chung.

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#### Pyongyang Asserts Participants Worried, Tear Gas To Spoil Games

41100080 Pyongyang NODONG SINMUN in Korean  
5 Jul 88 p 6

[Article by Kim Chong-ok: "Olympic Games Amid Bayonets and Tear Gas"]

[Text] The great leader Comrade Kim Il-song taught as follows:

"If the Seoul Olympic games should be unilaterally held by force in defiance of the desire of the Korean people, running counter to the spirit of the Olympic games, and under the "protection" of a U.S. aircraft carrier, it would leave an indelible stain on history."

The closer the 24th Olympic Games comes, the more worried countries are becoming about going to Seoul, and the more vigorously they assert that forcefully holding the Olympic games there will leave an indelible stain on history.

A most recent issue of LA CRONICA, a Peruvian paper, stated that it is difficult even to conceive that the Olympic games will be held in south Korea, a land reeking of blood where a fascist clique is running wild to suppress barbarously the people's struggle. A spokesman of the Government of Australia, revealing his government's apprehension concerning the 1988 Olympic Games, said that his government had mapped an emergency plan to evacuate players and spectators. This plan is designed to cope with any emergency that might occur during "the Seoul Olympic games." The head of the Australian Olympic delegation, saying that student demonstrations are continuously taking place in south Korea and the south Korean cities are contaminated due to the firing of tear gas bombs by the police forces who are trying to suppress them, stated that "I definitely hope that it will be held somewhere else."

During the past month, many countries have expressed such an understanding of the situation and are uneasy.

It is reported that such an uneasiness is even growing in political and social circles in the United States.

United States Senator Larry Pressler asserted that the site of the Olympic games be moved from Seoul to somewhere else because of the chaotic situation which persists in south Korea and the resultant apprehension concerning the players' safety. A most recent issue of THE WASHINGTON POST, a U.S. paper, revealed that U.S. players are greatly worried about their taking part in the 1988 Olympic Games. According to the news, most players on the U.S. Olympic team are worried about the issue of their personal safety; and track and field players are thinking about maximally reducing the period of their stay at the Olympic games. (Hamden), a world championship holder in the hurdles, has reportedly said that "I want to win the championship again but my life is more precious than a gold medal."

It is by no means fortuitous that many countries are expressing deep apprehension and uneasiness regarding the issue of their taking part in the 1988 Olympic Games.

In south Korea, social uneasiness and confusion are increasing with each passing day. The situation in south Korea and vicinity is becoming more and more tense.

The university and college students in south Korea, who are seeking the unification of the fatherland and the joint sponsorship of the Olympic games, proposed that a 10 June North-South Students Conference be held. In June, they launched a daring struggle to realize it. The south Korean puppet clique mobilized more than a 60,000-man police force, trampling down the just demand of the south Korean youths and students. The puppets even mobilized armored cars and sealed off roads; they oppressed the youths and students with steel pipes, clubs, and tear gas bomb launchers. Thus a great number of youths and students were arrested and held in custody. The entire region of south Korea, including Seoul, was covered with tear gas to the extent that it was difficult even to breathe there.

As for the tear gas used by the south Korean fascist clique, it is similar to poison gas. It is said that even a carcinogenic substance is found among the toxic ingredients of that tear gas bomb. If the tear gas powder gets on the skin, that portion of the skin becomes swollen and reddish and breaks out in sores. In a serious case, it causes pain and nausea and can cripple for life. Because of the very tear gas bombs, Yi Han-ryol, a student of the Yonsei University, died last year. In June of this year, Yi Pok-sik, a youth, lost his life and a great number of people are suffering pain.

A human rights organization in the United States, having witnessed by itself the current situation of south Korea, asserted that "the tear gas bombs being used in south Korea must be called a poison gas." On the other hand, GUNJI MINRON, a Japanese magazine, in an article analyzing the south Korean situation, labeled "the tear gas bombs of the south as poison gas bombs," exposing the actual situation in which a great number of people are falling victims to these bombs.

A report by Japan's NHK Broadcasting [Station] said that "most of those plain clothes policemen who are called out for guard duty wear white aloha shirts and carry bags on their patrols. At first glance they look like just passers-by; but they carry tear gas bombs in their bags."

Meanwhile, the south Korean puppets are attempting, by means of mobilizing stupendous violent forces, to shackle not only the people of south Korea but also the players and spectators taking part in the Olympic games.

PANORAMA, an Italian magazine, in an article entitled "The Games Amid Flames, the Most Dramatic Olympic Games," pointed out that in the coming Olympic games, not only players and journalists but also spectators and sightseers would be confined to their lodgings and not allowed to go out freely, and that they would have to take only those designated busses or taxis driven by the police.

U.S. imperialism and the south Korean puppets, furthermore, are effecting a dreadful war atmosphere in south Korea.

On the pretext of "safety for the Olympic games," the U.S. imperialist brought in an aircraft carrier loaded with nuclear weapons and a contingent of aircraft and placed on alert its armed forces at bases in northeastern Asia, including Japan and the Philippines. And, almost daily, in south Korea and its vicinity, it is launching war exercises smelling of gunpowder. The U.S. occupation forces in south Korea and the puppet forces rushed into a general warning alert. Furthermore, even the Japanese reactionaries joined them and placed the armed forces of "the Self-Defense Force" on a general mobilization alert.

Thus a dangerous on-the-eve-of-a-war situation, in its literal sense, in which a war against our republic may break out at any moment, prevails in south Korea.

Is it really possible that the Olympic games can be held without incident in such a very dangerous place where one cannot open one's eyes due to tear gas, where bayonets look like a forest, and where nuclear weapons are hunkered in shelters with mouths gaping?

The Olympic games have never been held on such a site in their history.

According to ARBEIDERBLADET, a Norwegian newspaper, even Samaranch, chairman of the International Olympic Committee, saying that he is worried about "the Seoul Olympic games," stated that "I have never before been worried like this about the Olympic games as the time for their opening approaches.

"This time our selection of a site for the Olympic games is the worst possible place."

It is very natural that today the world's progressive social circles and athletic authorities are discussing the issue of personal safety, and of protecting lives before they look forward to the results of "the Seoul Olympic games." They are greatly worried about the 1988 Olympic Games on the basis of apprehensions that "these games will become a dark blot on the Olympic flag." France's AFP dispatch expressed fear by asking: "Is it not probable that the 1988 Olympic Games will 'become tear gas games'?"

Tear gas bombs, war, and the Olympic games can never be combatible with each other. It is clear that games

cannot be satisfactorily held in such a place where tear gas bombs are launched constantly and the people cannot breathe normally because of tear gas, and that in such a place the personal safety of players, officers, and spectators cannot be guaranteed.

The Olympic games, which is an international athletic festival, should be held in such a site where peace and safety are guaranteed, and where political security is guaranteed in conformity with its lofty spirit and objective. Some countries, saying that it would be better even now to change the site of the Olympic games in order to avoid the staining of the Olympic flag, expressed their readiness to offer a site for these games.

What is clear from voices of the fair and just public opinion of the world is that success of the Olympic games cannot be expected in Seoul where criminal acts of U.S. imperialism and its running dogs are being carried out.

7989

## POLITICAL

**Two Kims Seek To 'Cultivate' Popularity**  
SK0708001188 Seoul *THE KOREA TIMES* in English  
7 Aug 88 p 2

[By staff report Kim Chang-yong: "2 Kims Step Up Popularity Contest; Old Rivalry in Presidential Campaign Revived"]

[Text] Kim Tae-chung and Kim Yong-sam have recently stepped up activities to cultivate their popularity as if rerunning last December's presidential campaigns, in sharp contrast with the dull action of their potential ruling party contenders in summer recess.

While consolidating the backup of their conventional support groups on one hand, the opposition leaders are trying to broaden their bases apparently with the next elections in mind.

Kim Tae-chung, 64, whose typical supporters are Cholla people and the underprivileged in urban areas, is beckoning the middle class and even the military, so far regarded as his "veto groups," with an enthusiasm aimed at a remake of his radical image.

Kim Yong-sam, 60, born rich and appealing to the relatively well-off in his oppositionist career, is approaching dissident forces and the economically needy, generally inclined to support Kim Tae-chung.

He is usually proud of, but once in a while, becomes nervous about his image as a moderate, which is apt to lead to branding as a "sakura," a fatal identification as a quasi-opposition opportunist, running with the fox and hunting with the hounds.

Sensitive observers view that their old rivalry has already been revived, though at a moderate level, for a presidential race despite their still outward commitment to cooperation.

At present, the two Kims are the strongest presidential candidates and destined to compete for power any time irrespective of spontaneous joint steps against the common foe of the ruling Democratic Justice Party.

Kim Tae-chung, president of the largest opposition Party for Peace and Democracy, showed a rare interest in the trend of securities prices and stock indices during a visit to the Korea Stock Exchange in Seoul around the end of last month. He bought securities worth one million won in a symbolic gesture aimed at wooing the attention of stock investors numbering well over three million.

He encouraged military servicemen in the first inspection tour to frontline outfit in 17 years Aug. 1, met scientists at the Taedok Technopolis and held a seminar

in nearby Taejon, capital of Chungchongnam-do, Friday. The province is a stronghold of Kim Chong-pil if it is not so hostile to Kim, from the bordering region, as Kim Yong-sam's Kyongsang area.

Following the Taejon seminar, he will chair similar forums on the PPD's economic and social policies which will be held in the 10 principal cities.

He is now on a summer leave in the eastern coastal beach of Sokcho, Kangwon-do, the ruling Democratic Justice Party's fortress. On his way to Seoul, he will "barnstorm" nearby towns in Kyongsangpuk-do.

The observers cited as instances of his efforts to erase a long-held image as a radical politician his party's cooperation with the DJP in the election of the Assembly speaker and other House leaders and replacement of two Kwangju panel members at the DJP's request.

He toned down his earlier assertion that President No Tae-u should hold a confidence vote after the Olympics as he pledged during the presidential stumping and should resign if he lost it.

In July, seemingly influenced by Kim Chong-pil's remark that No's five-year tenure should not be affected by the vote, he just opined that No would have to follow the "will of the people." Recently, he further stepped back and declared that he has no intention to take issue with the formal procedures of the mid-term appraisal.

Kim, however, has not loosened his linkage with dissidents, collegians and the urban needy.

The PPD organized a three-day public debate on policies for farmers and fishermen, and urban workers who number about nine million and 10 million, respectively.

Pastor-turned PPD vice president, Mun Tong-hwan, participated in a debate with core student activists preparing for a talk with north Korean collegians on June 10, and Kim Tae-chung had a meeting with organizers of the outlawed, second Panmunjom talk on Aug. 15.

The oldest opposition leader is likely to seek a showdown on the occasion of No's interim appraisal if his vigorous activities assure him of a success then, the observers foresaw.

Kim Yong-sam's assiduous efforts to solicit support of hitherto anti-RDP forces have been prompted by a serious worry about the party's reduced role in the multi-party system.

The RDP has handed over the political initiative to the PPD, though it gained a higher support rate in the April 26 parliamentary elections and its 61 Assembly seats are "no more than" nine shy of the PPD's, the observers noted.

The "blitz" passage of a resolution calling for a ban on overseas trips by Chon Tu-hwan and his relatives and inlaws was designed to restore the RDP's upper hand in the opposition array and also to display Kim Yong-sam's "clean-cut" attitude towards the ruling camp. In a unique, rigid climate, compromise sometimes means yielding to, or immoral connection with power.

Upset by DJP chairman Yun Kil-chung's Wednesday indication that Kim Yong-sam and Kim Chong-pil are the ruling party's desirable coalition partners, the RDP president suddenly directed vice president Yi Ki-taek, chairman of the House irregularities probing panel, to handle the resolution in the evening, insiders said.

Kim Yong-sam consoled a leading dissident, Yi Pu-yong, over his detention, along with RDP executives on that day.

He regularly meets young lawyers and clergymen, main forces of the dissident groups, and exchanges views on various current issues.

Despite a tight schedule, he devoted time to listen to complaints from street vendors and self-claimed victims of the Chon administration a couple of days ago and instructed party officials to work out appropriate measures for them.

The two Kims' competition will take on an international scope in the middle of this month, some observers quipped.

Kim Yong-sam's staff announced yesterday that the RDP leader would visit Japan for six days from Aug. 17.

The travel seems to have been hastily arranged as his sought-after trip to China appears impossible at the present.

Kim Tae-chung is scheduled to trip to the Philippines on Aug. 23 to attend the establishment of a memorial foundation for Benigno Aquino, his friend.

Kim Yong-sam held a press conference yesterday at short notice which the observers said might have been advanced by Kim Tae-chung's meeting with reporters accompanying him in Sokcho tomorrow.

But Kim Yong-sam's strategy seems to have been made from a longer perspective as he is younger than the other Kim and confident he is healthier.

With the passing of time before the election four and a half years from now, the two Kims' split will become wider and their differences will get clearer, the observers said.

### Ruling, Opposition Parties Brace for Confrontation Over Veto of Bills

41070097 Seoul *CHOSON ILBO* in Korean  
15 Jul 88 p 3

[Article by reporters Yi Hyok-chu and Pu Chi-yong: "Political Situation Wrapped in Veto...Ruling and Opposition Parties Are Painstaking in Search of Breakthrough."]

[Text] Another deep trough of atmospheric pressure has been building up as the ruling party confirmed veto rights over two bills concerning parliamentary inspection of government offices and parliamentary investigation on 14 July. The opposition parties clearly declared their intention to launch a "nationwide opposition" by proposing countermeasures such as a meeting of the three Kims, and they unanimously criticized the ruling party. On the other hand, the government and the Democratic Justice Party (DJP) are exerting all their efforts to prevent a reaction, they are publicly saying that the measure was an unavoidable and natural thing to do. The contents of the opposition parties' political offensive will be made public during the meeting of the three Kims this weekend or at the beginning of next week, and the political situation is moving fast toward a state of tension.

However, many observers indicate that this conflict is a form of limited warfare and the two sides "should accomplish successful renegotiations, prepare alternative bills to vetoed bills, and enable the Parliamentary Special Investigation Committee to operate in full swing." Therefore, the political offensives of the two sides are judged to be on a public relations level to advertise their stand, in order to take a more advantageous position in the inevitable renegotiations.

Let's examine movements in the political circles of the ruling and opposition parties in connection with this situation.

....The government and the DJP are busy preparing measures "after the veto" rather than preparing for the exercise of the veto right itself, partly because the president's veto has already been established de facto.

In particular, as for the DJP, which has to alleviate the aftermath of the veto and see to the continuation of the activity of the Special Committee through prompt renegotiations on the two bills, the task to minimize the aftermath is the first priority.

In connection with this, the DJP recently held a series of meetings between high party and government officials and party staff meetings, discussed its countermeasures, and exerted all their efforts in publicizing the fact that the exercise of the veto right is not an illegal exercise of absolute power but a normal political activity. The government, in announcing its policy of "return to the

National Assembly" after the cabinet meeting the afternoon of 14 July, even distributed reference materials which contained detailed information on "Meaning of Veto Right," "Domestic and Foreign Legislative System of Veto Right," and "Examples of Exercise of Veto Right in Our Country in the Past."

The main item on the agenda during the 14 July joint meeting between DJP party advisers and staff was to design measures that would put the veto in a more favorable public light. A majority of participants, as if they were conscious of the possibility that the exercise of the veto right can be viewed as an exercise of authority without consideration of the people's will, emphasized that "There is no veto right in a parliamentary system, but only in a presidential system which provides an opportunity for better legislation."

The DJP urgently published and began distributing in the street 300,000 extra editions of the party newspaper the afternoon of 14 July, which was timed simultaneously with the cabinet meeting's decision. The two-page extra, which is the same size as a regular newspaper, pointed out the illegality of the two bills in detail under the headline of "Unconstitutional Legislation for Party Interests."

On the other hand, some party members indicate that the investigation of former President Chon should be concluded in order to prove that the veto right was not taken for the protection of specific people, because the right to subpoena witnesses is directly connected with the appearance of former President Chon Tu-hwan at the National Assembly.

As a consequence, some people in the party and the government agreed to the idea that former President Chon could not avoid personally explaining some questionable points. However, they explained that they could not actively pursue such ideas in light of the fact that such a decision can only be made by former President Chon "himself" as a matter of courtesy toward a former president.

....As the cabinet decided to forcefully pursue the veto during its meeting on 14 July, the Party for Peace and Democracy (PPD) strengthened its offensive against the government as if it was waiting for such a decision. This was done while leaving room for negotiations, adopting a two-sided strategy of hit and escape.

During its regular expanded staff meeting held the morning of 14 July and an emergency staff meeting held the same afternoon, the PDP decided to launch a strong political offensive, which urged cooperation among the three opposition parties to establish a joint countermeasure against the ruling party, and to stage nationwide protests.

PDP President Kim Tae-chung raised his voice saying that "I am very disappointed because I strongly doubted whether they would actually do it." He explained his opinion by saying that "The exercise of the veto right is a very regrettable thing because it seems to ignore the people's will and protect a specific person."

PDP spokesman Yi Sang-su replied to President Kim's remark and suggested that "Since these bills were made possible by the cooperation of the three opposition party leaders, it is proper for them to meet again and discuss a joint countermeasure by the three parties."

The PDP plans to form a united front of the three opposition parties during the meeting of the three Kims with the specific agenda as follows: joint introduction of impeachment of cabinet members by the three opposition parties; launching of a nationwide protest by the three opposition parties against the forceful execution of the veto right by the ruling party and the government; and the establishment of a joint strategy in a vote to override the veto in the National Assembly.

The PDP intends to prepare a statement for the three opposition party leaders' meeting which will put the emphasis on arguments such as that the government's veto this time in particular was not a simple legal theoretical issue but a testimony to the fact that the No Tae-u regime is the "heir to the 5th Republic."

As for the time for the three opposition party leaders' meeting, the PDP expressed its intention to hold it by the morning of 16 July, taking such factors into consideration as the fact that it is PDP President Kim's turn to make the arrangements, the urgency of criticism of the government and the ruling party, and the schedule of New Democratic Republican Party (NDRP) President Kim Chong-pil who is on a provincial political tour. Aside from this political offensive, the PDP continues to show its "flexibility" by leaving room for negotiation.

PDP Floor Leader Kim Won-ki, a representative at the working level negotiations, seemed to suggest an attitude of compromise by saying that aside from "heightening" the political offensive, "there are various methods which can be taken in case of a veto, such as renegotiations between the ruling and the opposition parties or introduction of separate legislation by the three opposition parties."

....The Reunification Democratic Party (RDP) held an extraordinary expanded staff meeting presided over by RDP President Kim Yong-sam, who came up to Seoul from Pusan on the afternoon of 15 July. They discussed measures that could be taken against the execution of the veto right.

During the meeting, President Kim reminded others that the opposition camps have clearly indicated their opposition to the exercise of the right to veto up to the present time. This was exemplified by his press conference held

on the same morning, in which he pointed out the impropriety of the exercise of the veto right and decided to examine tough measures such as a demand for the general resignation of the cabinet. The RDP also convened a political affairs meeting on the morning of 15 July, and strengthened its political publicity offensive against the ruling camps by disclosing their fabricated logic which argued the unconstitutionality of the right to subpoena witnesses. The RDP also plans to publish the contents of this political offensive in its party newspaper, and mass distribute them at the end of the week.

The RDP takes an even tougher stance on the issue of the right to subpoena witnesses because it is closely connected to the activity of the "Special Committee for Investigation of Corruption of the 5th Republic" on which the "destiny" of the RDP depends. RDP President Kim said that "In spite of the fact that the irregularities of the 5th Republic must be investigated according to the principle of law and justice, with no exceptions, if the ruling party prevents former President Chon from testifying in the National Assembly, the voice of the people, who demand judicial settlement including arrests, will become even louder." He further criticized President No's veto by using strong words such as a "direct challenge to the people's will" and "cowardly behavior."

RDP spokesman So Chong-won also announced a statement which strongly criticized the ruling party.

Spokesman So pointed out that "The Constitutional Court has the right to decide the constitutionality of laws," and said that "One means of struggle is to introduce a bill for the impeachment of cabinet members who suggested the idea of veto to President No."

The NDRP also held a emergency staff meeting on 14 July and decided to exert all their efforts to criticize the government and the ruling party through its activity within the National Assembly.

NDRP President Kim Chong-pil, who was on a provincial tour, criticized the government and the ruling party by saying that "The two bills were passed after long and agonizing consideration, carefully considering the people's will, and the article for the right to subpoena witnesses was adopted in a very democratic way following a judge's decision."

President Kim turned his criticism toward other parties by saying "It was very awkward that people began mentioning negotiations as soon as the bills were passed in the National Assembly, and that the opposition parties accepted such negotiations." He stressed that he had no intention to engage in negotiations with the ruling party for the time being, and that he intended to cope jointly with the situation in consultation with the three opposition parties.

Even though the NDRP promptly welcomed the meeting of the three Kims, according to its party line, it plans to exclude struggle outside the National Assembly under the principle of politics in the National Assembly. It will work to prepare a legal compromise such as a bill for a special case which can guarantee the presence of witnesses and use it as leverage in future renegotiations between the ruling and the opposition parties.

President Kim Chong-pil left on a tour of the Kwangju and Cheju areas from the morning of 14 July to 17 July. The tour included a board hanging ceremony for the opening of the Kwangju City and Province party chapters, but he may return to Seoul as early as 16 July depending on the process of the three party consultation on the meeting of the three Kims.

13269

#### Reunification Struggle New Issue for Student Movement

41070072 Seoul SINDONG-A in Korean  
Jun 88 pp 522-532

[Article by free lance writer Yu Chong-ha: "The Recent Reunification Movement in College Campuses, Which is an Expression of Pent-up Internal Debate That Has Existed Within Student Movement Circles, Will Cause Vigorous Reunification Debates on the Private Level."]

[Text] "Reunification Movement" in College Campuses

College campuses recently have begun to initiate the "reunification movement," which has been prohibited at the private level, as they actively engage in various activities to bring the issue of reunification to the surface in the forefront of society. It is true that the college movement forces, which have been critical of the reunification policy which has been monopolized by the government, have engaged continuously in internal discussions on the reunification issue. However, it appears that they chose this year as a real turning point in their "reunification movement" in light of the fact that Seoul is hosting the 1988 Olympics, which provides the best opportunity for joint participation by north and south Korea. Accordingly, as universities prepare various programs with reunification as a theme for their May festivals such as lectures, photo exhibitions, singing contests, and athletic meetings, the discussion of the reunification issue has been appearing as a main point of dispute.

In the case of Seoul National University (SNU), it drew the attention of many students by selecting 12 May as the "Day of Reunification Wish" during its "May Festival" which continued for four days beginning on 10 May and by holding athletic events such as a reunification wish marathon, a singing contest for the reunification wish, a lecture with the theme of "Korean Democratization Movement and Reunification Movement", and a "Mock Student Conference between north and south Korea".

The student council of Yonsei University also established the principle of using the college festival period which started from 11 May as a "place of education for autonomy, democracy, reunification, and ideology." Accordingly, in order to raise interest in the reunification issue during the festival period, the students held a public contest for a name, flag, and an anthem for a "reunified Korea" and announced those adopted during the opening ceremony.

The students adopted "Federal Republic of Arirang" as the name of a reunified Korea and "My Country, My People", which had been banned in the 1970's, as its national anthem which 2,000 students sang together loudly. Also, students paid attention to the "reunification flag" posted on the library wall, which displayed a Yin-Yang symbol in which two farmers, dressed in traditional Korean costumes wearing rubber shoes, embrace each other.

Korea University showed its effort to expand the reunification issue to the general society by jointly discussing it on 14 May with opposition groups such as the National University Association, which can be regarded as a national organization of student movement forces, the Federation for Democratic Unification, and the Korea Young Men's Christian Council Seoul Headquarters for the National Movement.

Hanyang University induced much student participation in its "Mock Great Fatherland Pilgrimage March of North and South Korea", in which students in fact made a pilgrimage to the university's nine college buildings, each of which represented a mountain and river in north and south Korea on 13 May during its festival period. About twenty student representatives participated in a "Mock North-South Korean Joint Meeting" held by the Student Council of Dongkuk University on 19 May during the university festival period and debated on the existing reunification proposal of north and south Korea. It also held a "reunification song contest" in which students competed with songs with a reunification theme on 20 May. Meanwhile, the Association of Student Leaders of Women's Universities in Seoul, which was inaugurated in Ewha Women's University on 29 April, also decided to make the "struggle for accelerating reunification of the fatherland" a part of its future student movement.

#### Issue Raised in SNU Election Campaign

It is true that former regimes had offered and pursued their policies toward the reunification issue on all levels because the "reunification of the people" has been an utmost important task to everyone for the last 43 years since the Korean Peninsula was divided into north and south Korea.

However, although there were differences in degree, the regimes of Yi Sung-man, Pak Chong-hui, and Chon

Tu-hwan branded anyone discussing reunification methods other than the "theory of reunification by marching north" or the "theory of reunification by exterminating communism" as pro-communist. Therefore, they could not avoid being criticized for having taken advantage of reunification discussion as a means of maintaining power and of having had a practical monopoly of the discussion of reunification on a restricted government level.

Therefore, it was true that discussion of reunification on a private level could not but be extremely contracted due to various restrictions and anyone who proposed a theory of reunification different from the official one of the regime, had no choice but to be prepared for "persecution" according to the anti-communism law and national security law. In consequence, it can be said that a nation-wide reunification movement was almost an impossible task to achieve.

In this context, the recent "reunification movement" which is being expanded widely throughout college campuses cannot but be a shocking phenomenon to the public who have been preoccupied with cold war attitudes. In addition, the specific approach of the recent reunification movement is noteworthy in the fact that in the past debate or proposition of the reunification issue was undertaken merely because people declared it was a proper thing to do.

In the Acropolis at SNU at 1 p.m. on 29 March, the "first-round stump speech by presidential candidates of the student senate council" was being held. Approximately 3,000 excited students, who have been in a relatively quiet atmosphere since the beginning of the semester, gathered in the Acropolis because it would be a launching place for the core of the SNU student movement in 1988.

Campaign staffs were raising their spirits by shouting candidates' names continuously in the midst of waving flags inscribed with the candidates' names and numbers. Among four candidates, the competition between candidate No.1 Chon Sang-hun (political science major senior) and candidate No.2 Kim Chung-ki (philosophy major senior), which has been a close race, was of immediate interest.

The election campaign this year cannot help being more fierce than that of any previous year in light of the fact that these two candidates were representing the two mainstreams of SNU student movement, the "Committee for People's Democratic Struggle" and the "Committee for Independent Democratic Struggle" respectively.

The campaign speeches of two candidates were very contrasting in the fact that Mr Chon Sang-hun, who was elected as president at the SNU student senate presidential election, emphasized support for the "party of the

people" in the National Assembly election struggle and the realization of political power of the people and Mr Kim Chung-ki, who lost with a few votes, stressed the importance of the reunification movement. Not until Mr Kim Chung-ki appeared at the podium emphasizing that young students should take a lead in achieving a joint hosting of the Olympics by north and south Korea did the audience show any significant response. However, as soon as he began to read a "public letter" in a trembling voice, the thousands of students gathered in the Acropolis were caught in an enormous shock followed by a commotion.

#### Public Letter Sent to Kim Il-song University

The public letter, which was addressed to the student president of Kim Il-song University and sent by the No. 2 presidential and vice presidential candidates of the SNU student senate Kim Chung-ki and Yu Chae-sok, begins with the greeting "Dear fellow countrymen, students of Kim Il-song University, How are you?" Later, the letter argues that "In order to overcome the pain of division, and to progressively inherit the reunification movement and create a new spirit of reunification in 1988, the young students of north and south Korea should take the lead in a powerful journey into reunification with a progressive spirit and earnest love for our countrymen." It then proposes a "Great Pilgrimage March from north to south Korea for National Reconciliation" and an "Athletic Meeting of Young Students from north and south Korea for National Unity." The specific details of the proposition are as follows.

"1. As for the 'Great Pilgrimage March from north to south Korea for national reconciliation,' we propose, first, that the north Korean students march from Mt. Paektu to Panmunjom and south Korean students from Mt. Halla to Panmunjom from 1 August to 14 August 1988 and second, that we hold a unifying festival in Panmunjom on 15 August.

"2. We propose that we hold an 'Athletic Meeting of Young Students From north and south Korea for National Unity' between 15 September to 17 September 1988 at either SNU or Kim Il-song University.

"3. We propose that a working level meeting between representatives from SNU and Kim Il-song University be held either in Panmunjom or a third country (Geneva) on the first anniversary of the 10 June democratization struggle.

"Please reply to the aforementioned propositions by 19 April 1988."

While students were quite surprised at this unexpected bold proposal, most of them seemed to welcome it.

The police reacted very sensitively and promptly to this situation. On the same day, the police contacted the SNU student administration department and warned that they would take legal measures against Mr Kim

Chung-ki if he continued to raise that issue in his stump speech at the College of Agriculture of SNU in Suwon on the following day, 30 March. The administration announced that the Agency for National Security Planning had commenced a full scale investigation of the background of the public letter and that it had arranged for a nationwide search for Mr Kim Chung-ki and Mr Yu Chae-sok.

The United States also showed considerable interest in this issue. One SNU authority said that the U.S. Embassy had telephoned SNU and made a careful inquiry regarding the possibility of success of the Kim Chung-ki - Yu Chae-sok ticket.

#### Immediate Response by North Korea

North Korea showed an immediate reaction to this proposal. On 2 April, four days after Mr Kim Chung-ki and Mr Yu Chae-sok made their proposal, north Korea notified its position to the Korean National Red Cross that it would send a reply to the SNU student senate and the SNU president in connection with the public letter. However, the Korean National Red Cross refused to do it on the ground that "Repeating such activities as delivering letters of such nature does not render any help to the progress of the north-south relationship."

One can make the interpretation that north Korea accepted the SNU's public letter eagerly in a situation when its offers of a north-south Korean joint meeting both in January and in March according to Kim Il-song's New Year's Address were in fact rejected by south Korea.

However, the administration seems to consider the north Korean proposal as one of its "conventional" peace offensives. Therefore, in regard to north Korea's intention to reply to the SNU's public letter on 2 April, the administration's announcement of refusal to accept the north Korean letter appears to substantiate its belief that it would be "a futile thing to repeat the act of delivering the north Korean letter."

In consequence, north Korea's reply was not delivered to the initiators through an official channel. A few days later, however, a letter, which was addressed to the "SNU Student Senate" and sent by the "Kim Il-song University Student Committee", was displayed at big bulletin boards located in front of the Student Center and the Liberal Arts College and drew much attention. The contents of the letter quoted in "Saenal", which was published as a first edition by the "Preparatory Committee for Patriots Kim Se-chin and Yi Chae-ho Foundation" are as follows.

"...We, the Kim Il-song University Student Committee, highly regard the proposition by the student senate of your university as a useful and urgent patriotic initiative for national reconciliation and reunification, thus we earnestly welcome and support your proposition....We

unanimously agree to your proposal of a working level conference in Panmunjom on 10 June....We anticipate that a delegation will be composed of approximately ten male and female students headed by the chairman of the student committee of our university....We firmly believe that your initiative and our response will provide a first step toward national reconciliation and a stepping stone for reunification and will ultimately open a new chapter in the history of national salvation and reunification ultimately. Dreaming of the day when Mt Paektu and Mt Halla will be connected in one march...."

#### **SNU Organizes "Special Committee for Reunification of Fatherland"**

As the contents of the public letter and the nationwide search for Mr Kim Chung-ki and Yu Chae-sok were made public, support by several universities ensued. They were Yonsei University, Korea University, Konkuk University, Hanyang University, Kyunghee University, Sungshin Women's University, Sogang University, and the student leaders' associations of universities in Suwon.

Korea University posted a complete welcome announcement in big letters in front of the school library and other universities' student senates also announced their official support one after another.

The "Seoul Area University Student Leaders Association" (referred to as Seoul University Association henceforth) decided to submit public inquiries to the Korean National Red Cross and the government on 7 April. The inquiries were: "Are you, the Korean National Red Cross and the government willing to accept north Korea's reply? In case you refuse to do, disclose the reason behind it and propose a specific and realistic reunification method to the Korean public." In light of the fact that student movements have been seriously disintegrated and split into factions since the presidential election, such a prompt and thoroughly consistent unity of action is considered very remarkable.

This phenomenon is a testimony to the depth of students' interest in the reunification issue, which they had kept inside due to the restrictions which existed until the present. It can also be interpreted as a symbolic sign which enables one to anticipate the reunification movement to be established in the days ahead as the main stream of student movements. Such movement was pursued more specifically in SNU.

In the inauguration ceremony of the student senate on 6 April, Mr Kim Chung-ki disclosed his intention that "Even though I was not elected as president, I will take the responsibility for my proposition and pursue it taking enthusiastic responses of young students who desire national reunification into consideration." As if he substantiated this declaration, the newly-elected Student Senate President Chon Sang-hun established a

"Special Committee for National Peace and Independent Reunification" (referred to as "Special Committee" henceforth) and appointed Mr Kim Chung-ki as the chairman. This Special Committee is expected to take a central role in developing a reunification movement within the 1988 student movements, whose direction can be estimated in its initiation statement as follows.

- \* Struggle for the realization of opposition of war exercises and military training, conclusion of peace agreement, mutual reduction in military force and expenses, and a total withdrawal of nuclear sites and weapons.
- \* In order for the 60 million countrymen of north and south Korea to achieve a nationwide solidarity transcending ideology, religion, institution, and political views,
  1. Accomplishment of the Athletic Meeting of Young Students from north and south Korea and the Great Pilgrimage March from north to south Korea.
  2. Efforts to participate in a joint meeting between north and south Korea.
  3. Joint hosting of the Olympic Games by north and south Korea.
- 4 Careful exploration to support the exchange of Christians and young students.
- \* Struggle to guarantee free discussion of the reunification issue against any forces or institutions that interfere with this objective.
- \* Exploration of solidarity with other groups that struggle for national peace and independent or autonomous reunification.

#### **Series of Reunification Movement Conventions Ensued**

A "Mass Public Debate on Peace in the Korean Peninsula and Independent reunification of the Fatherland" was held in Yonsei University on 16 April under the auspices of the "Preparatory Committee for the Creation of the Association of Student Senates in the Seoul Area" (referred to as the "Seoul Student Senates Association" henceforth). As the Seoul Student Senates Association was reorganized from the existing Seoul University Association, it not only reconfirmed the reunification movement direction proposed by the SNU Special Committee as its official position but also made it more specific. As political parties and social institutions such as the Korea Young Men's Christian Council (EYC), Patriots Kim Se-chin, Yi Chae-ho Foundation, the Institute for Peaceful and Democratic reunification, which is composed of ordinary members of the Party for Peace and Democracy, and the Social Democratic Party participated as

sponsors, the debate provided an occasion in which the range of participation in the reunification movement reached beyond the scope of the student movement.

During this debate, the Seoul Student Senates Association disclosed a "public letter to peace-loving people of the nations in the world which will participate in the Seoul Olympics," in which it demanded that "In order to link world peace with peace in the Korean Peninsula and to bring peace on the Korean Peninsula into a realization of complete world peace, those countries which plan to participate in the Olympic Games should not participate in the Games blindly but express their intentions to participate on the condition of joint hosting of the Olympic Games by north and south Korea, which is the common wish of both the north and south Korean people." Later, the appearance of Mr Kim Chung-ki, who is under the police search, raised the spirit of the debate even higher by citing a "second public letter to the student committee of Kim Il-song University" which was written by the SNU Special Committee.

The second public letter was a more detailed version of the first letter in the sense that it suggested that a working level meeting be held in Panmunjom on 10 June and that its delegation be organized by 30 May and composed of approximately ten students, headed by the chairman of the SNU Special Committee.

After that, representatives from each sponsoring group announced their own positions on the reunification issue.: Rev. Mun Ik-hwan offered a "seven-step reunification theory" through his "Specific Proposition on National Reunification," the Social Democratic Party expressed its intention to accept the joint meeting between north and south Korea offered by north Korea and the Korea Young Men's Christian Council spoke for the currently active Christian reunification movements through a "Christian Youths and Students' Views on Peace on the Korean Peninsula and Independent Reunification of the Fatherland." Finally, the meeting came to an end with the adoption of a joint statement made by the Seoul Student Senates Association and sponsoring groups.

Such a large assembly of reunification movements was followed again by a "resolution rally for nationwide struggle for peace on the Korean Peninsula and independent reunification" in SNU on 28 April. This resolution rally was held as a second part of the second anniversary ceremony in memory of Mr Kim Se-chin and Mr Yi Chae-ho who set themselves on fire on 28 April 1986 in Shillim-dong Square, located in Kwanak district shouting such slogans as "Prepared to Die To Oppose Military Training in the Frontline Which Is an American Imperialistic Mercenary Education!" and "Antinuclear, Anti-war, Yankee Go Home!" About 4,000 people including people from 11 groups, which was a greater number than that of the 16 April Yonsei University debate meeting, participated in the resolution rally that day.

The participants adopted a seven-article "joint struggle statement"; turning the Korean Peninsula into a nuclear-free zone, suspension of the Team Spirit Exercise, abolition of the ceasefire agreement and conclusion of a mutual non-aggression pact, north-south Korean joint hosting of the Olympic Games and the organization of a single team, a total annulment of the U.S. military deployment during the Olympic period, a lift of the search for Mr Kim Chung-ki and Mr Yu Chae-sok and a realization of an athletic meeting between young students of north and south Korea, and a guarantee of free discussion of the reunification issue and mutual exchanges by every sector of society. About 1,500 of the participants, standing face to face with combat police at the school gate and throwing hundreds of fire bombs, staged a more fierce demonstration than any other one in recent times.

The fact that the inauguration of the "Foundation for Patriots Kim Se-chin and Yi Chae-ho" (headed by Rev Mun Ik-hwan) has provided another centripetal force for the development of the future reunification movement was noteworthy in this meeting.

#### Characteristics of Reunification Movement"

There are several conspicuous characteristics in the wave of recent active reunification movement.

First, the movement perceives the year 1988 as a time which provides a favorable objective condition in activating the reunification movement into a nationwide one. In other words, it perceives that a so-called "new detente" characterized by developments such as the bold open-door policies of the Soviet Union and the PRC, the improvement of the PRC-Taiwan relationship and the rapprochement policy of East and West Germany symbolized by the visit to West Germany by East German Chancellor "Honecker" is creating changes in international relations and is bound to influence the situation in the Korean Peninsula.

Furthermore, a common belief among those concerned in student movements is that the range of impact will become even greater at the time prior to the Seoul Olympics, which will be held with a symbolic meaning of east-west rapprochement after 12 years. In particular, those students in the movement circles claim that the north-south Korean joint hosting of the Games and the organization of a single team can bring about a great national unity and can further raise the 1988 Olympic Games as a true peace festival of the world.

Some students pay attention to the fact that the No Tae-u administration, which is voluntarily pursuing dissociation with the 5th Republic and "democratization" while pursuing the improvement of its relations with the communist blocs such as the PRC, the Soviet Union, and

the East European bloc at the same time, is at a beginning stage. They argue that the No Tae-u regime cannot but come up with some kind of measures on north-south Korean relations sooner or later.

Second, one can see that the three basic principles of the 4 July Joint Declaration, autonomy, peace, and great national unity, are repeatedly clarified and emphasized. First of all, they claim that the forces favoring reunification rather than the forces favoring division, which is dependent on the interference of foreign powers or neighboring superpowers, should lead the reunification movement in the direction of complying with the lives and interests of the Korean people with a principle of autonomy. They also demand the dismantlement of nuclear weapons, the suspension of the "Team Spirit" Exercise, the abolishment of the cease-fire agreement, and the conclusion of a peace agreement in order to prevent the danger of war and increase peace on the Korean Peninsula. In addition, they strongly claim that the great national unity which transcends thoughts, ideology, and institutions, can be achieved by eliminating mutual hostility and aggressiveness and by stopping denunciations against each other.

Third, they claim that an atmosphere in which the reunification issue can be debated freely must be guaranteed and exchanges between north and south Korea should be diversified in order to increase the public participation in their efforts to overcome the division. This argument is noteworthy because it has become more specific and improved than in the past. In other words, their claim is not only that the debate or information on reunification should not be monopolized by policy makers but also that it should not be used as a means of securing power. Therefore, "Freedom of speech must be guaranteed in the broadest sense and the activities of private organizations in their research and debate on the reunification issue must be systematically guaranteed in order to enable the practical, independent, and free participation by the north and south Korean people in the debate on the reunification issue and in the establishment of reunification policy. Furthermore, mutual exchanges should not be restricted to governmental channels but should be allowed to be pursued on the private level even when meetings between the government authorities concerned are at a halt or a breakthrough in negotiations is not made possible." (quoted from proposition letter of 16 April meeting)

#### Some Consider It an Unrealistic Argument

To many people, however, this turn of events is regarded as "unexpected" or "surprising." In regard to the recent phenomenon, one SNU official expressed his concern as follows.

"It is a quite remarkable thing. I think that an athletic meeting or a student meeting has been proposed for the first time since the 19 April Student Revolution. My feeling is that the approach to the reunification issue

until last year has been general but something has begun to move this year. I think, however, one should approach the reunification issue more prudently. It will be difficult to change the extreme rivalry which has existed for the past several decades in one day. I cannot help feeling that the students' claim is too anxious and too unrealistic."

Students in general also seem to lean toward a more cautious attitude. According to a survey conducted by the Special Committee under the SNU student senate in mid-April of 770 university students concerning an athletic meeting between north and south Korean students, the opinion that "Though the goal of reunification is good, it is a romantic and unrealistic one" (47.8 percent) scored higher than the opinion that "It should be developed as a nationwide movement by raising an epochal issue for the reunification movement." (39.7 percent)

However, there seem to be enough people who acknowledge the reality in which the debate of the reunification issue itself can no longer be regarded as taboo. One SNU student who voluntarily declared that he did not belong to the "movement camp" said the following.

"I agree that one should make a careful approach. And I think that we, students, are very prudent as far as this issue is concerned. One can be easily charged with being pro-leftist and pro-Communist if one is not cautious. But it is not true that they have been arguing prudence for the last 40 years while neglecting the reality that the division has become more established. No longer should the reunification debate be a monopoly of a few chosen people, nor should it be dependent on the superpowers' logic."

In historical terms, the first time that the reunification debate had been active was the time shortly after the April Revolution which caused the downfall of the Yi Sung-man regime in 1960, which severely punished even a debate on peaceful reunification as a violation of national policy. The revolutionary forces launched reunification movements by organizing the "Central Council for the National Independent reunification" and the "National Federation of the Neutral Movement of reunification of the Fatherland". The student movement, which formed the "National Student Federation of National Reunification", pursued the north-south Korean Student Conference under the catch phrase of "Let us go, North! Come, South!"

However, the 16 May military coup d'etat interrupted these waves at once and since then, the "era of silence" has existed under the regimes of Pak Chong-hui and Chon Tu-hwan when no one was allowed even to discuss the reunification issue except the government authorities. However, after the experience of the "Kwangju Incident" in 1980, the inner circles of the movements began to newly raise the issue of national reunification as the so-called Committee for Independent Democratic Struggle, which was organized in SNU where the "theory

of direct struggle against the foreign powers" had appeared beginning with the second half of 1980, put its anti-U.S. autonomy struggle in the forefront with its slogan of "Antiwar, Antinuclear! Yankee Go Home!" the claim of the national independence and the reunification has become a dominant trend in the student movements.

#### NL Faction Leads the Reunification Movement

After the SNU students Kim Se-chin and Yi Chae-ho burned themselves to death, those involved in the student movements quickly began to show their vigorous interest in reunification and the United States and to raise issues about them and academic symposia and the publication of resource materials in connection with these issues began to follow. Among these, the Publication of Resource Materials issued by the "May Struggle Committee" of Korea University in 1986 and the contents of the academic symposium "For the Days of the Reunification of the Fatherland" organized by the SNU student senate in May 1987 will be helpful in understanding the viewpoint of the student movement circles.

First of all, as a most important historic premise, their claim that the United States is most responsible for the division of the Korean Peninsula is noteworthy. In other words, the division of the Korean Peninsula was an inevitable by-product of the U.S. world strategy after the Second World War. "The United States in its post-war plan had a need to turn the Korean Peninsula into an anticommunist bulwark in order to keep it as a forward base to check the Soviet Union. In order to accomplish this objective, the United States, which intended to put at least half of the Korean Peninsula under its firm control, excluded those in support of the reunification such as Mr Kim Ku and aided Yi Sung-man or pro-Japanese factions to establish a divided nation." (quoted from the SNU Symposium)

In addition to these military benefits, they explain that the United States continues to desire a divided Korea in order to acquire economic benefits from the viewpoint that "The United States systematically exploited the blood and sweat of our people by making our economy an export-oriented economy, which is a dependent economy....The United States also allowed our national wealth, for which our people made such hard effort, to escape through the U.S. multinational corporations" (quoted from the Publication of Resource Materials by Korea University).

They claim that the United States, in pursuing its two Korea policy in an effort to solidify the "truce line as the national boundary line", has stationed its armed forces, deployed nuclear weaponry, threatened the peace in North East Asia not to mention peace on the Korean Peninsula, and prevented democracy by continuously supporting dependent military dictatorships in south Korea.

As these attitudes have been summarized as the "theory of liberation of the people and democracy by the people" (NL theory), they have become more specific. This NL theory has been the mainstream of student movements since 1986 and the recent reunification movement is also led by this group.

According to these viewpoints, south Korea is under a "colonial situation" in relation to the United States which singularly dominates every sector of society such as politics, economy, military, and culture. In consequence, in order to cope with the United States which intends to continue its domination of south Korea, our people have to launch a peoples' liberation movement, which can be summarized by autonomy, democracy, and reunification.

However, they do not regard these three movements as individual items or phased tasks but as one closely interrelated unified object. For example, in launching an antimilitary dictatorship democratization movement, one should pursue the independence movement against the United States which supports the military dictatorship at the same time, which is ultimately connected to the national reunification movement. They claim that the national reunification movement is placed above the other two movements.

"We define a national reunification movement not as a mechanical unification of the divided land and people but as a complete liberation of the people on the entire Korean Peninsula and an accomplishment of a democratic revolutionary task, and the construction of a fatherland where north and south Korea are reunited as one and the people are the master."

According to this logic, one should unite the independence movement and the anti-dictatorship democratization movement with the national reunification movement at the pinnacle.

However, the recent reunification movement has a different concept than this. Unlike a national reunification movement seen from an overall point of view, the recent movement selects a "movement to accelerate the national reunification movement" as its immediate practical task, in which case the reunification movement rather appears as a part of the independence movement and the democratization movement or as a form combined with the two. This is one of the main characteristics of the recent reunification movement.

In accordance with these attitudes, the student movement has set out to wave the banner of the reunification movement, which was timed with its anti-Asian Games struggle in the second half of 1986, through opposition to south Korea's single hosting of the Olympics and struggle for a joint hosting. However, the student movements encountered several difficult situations such as the incident of the arrest of Representative Yu Song-hwan with the so-called "debate of national policy" and the Konkuk

University Incident. As they went through the Pak Chong-chol Incident, the 13 April Measures, and the June Struggle, they came to concentrate their efforts on constitutional reform, thus putting a temporary halt to the reunification movement. Then, the reunification movement in the college campuses began to be active again with such events as the National University Association's great progress in the reunification movement since the 29 June Declaration, the "Democratic Square" Incident of Korea University, and the incident of the arrest of President of the Yonsei University Student Senate U Sang-ho.

This movement, which lapsed into a temporary halt in the process of the presidential election, came back rejuvenated as an even more stronger reunification movement with the inauguration of the No Tae-u regime at the beginning of 1988 and the changed situation with the upcoming Olympic Games.

#### **Both Government and Opposition Interest Groups Debate Reunification**

One high government source recently was quoted as saying that "The government is in the process of developing fundamental methods such as the resumption of north-south Korean talks, a simultaneous joining of the U.N. by north and south Korea, and allowing domestic discussion of the reunification issue to become public" and that "These government actions will become more specific according to north Korea's attitude." He was also quoted in a newspaper as having said that President No Tae-u's remark that he "would not use security for his regime" or Minister of National Unification Board Yi Hong-ku's remark that "The debate on national reunification is a sole possession of the government and the ruling party" reflected such government's policy of emphasizing the recovery of mutual trust between north and south Korea.

Coincided with this occasion, 35 leaders of various opposition interest groups from legal, religious, academic, and women's fields such as Ham Sok-hon, Mun Ik-hwan, Kye Hun-che, Yun Kong-hui, and Pyon Hyong-yun held a press conference on 11 May and announced a public letter titled "a letter to President of Republic of Korea No Tae-u and President of Democratic People's Republic of Korea Kim Il-song." This public letter urged both sides to "resume talks to make north-south Korean joint participation in the 24th Olympiad possible" and disclosed that they "wish that the joint participation by north and south Korean athletes will open a way for a dialogue and an exchange between the two." It is very clear that such remarks of the government and society will have an accelerating impact on the "reunification movement fad" in college campuses, though in a limited way.

However, one authority concerned with opposition interest groups expressed a careful opinion as follows.

"The reunification issue is a very delicate problem. Is it not true that the then Prime Minister Kim Chong-pil made a statement such as 'north Korea is not a legitimate nation' when the entire public was excited and full of hope for the 4 July Declaration, and shortly after that they forcefully executed the October Yusin? As far as the government is concerned, the reunification issue poses a two-sided dilemma: one beneficial aspect is the fact that it can draw public support and the other detrimental aspect is the fact that it can weaken the anti-communism ideology. The government should keep this double-sided aspect in mind in making any plans in the future. In other words, the government appears to make efforts to receive public recognition on the reunification issue and to overcome such issues concerning the minority ruling party and majority opposition party situation and the possible vote of confidence by taking an open position within a possible range toward the reunification issue. It seems that the range will include mainly the National Assembly level and that the government will put restrictions on any other movements going beyond that level by applying the national security law as it has done previously. Therefore, it may be difficult to expect an extremely great change."

The prospect of a reunification movement on private levels such as college campuses clearly appears to depend greatly on the government's attitude. This is because there still exists a tremendous difference in viewpoints between the government and students concerning the reunification issue. Therefore, even though the campus reunification movements will expand according to their own logic, the pro-leftist arguments for the movements do not seem to end easily. It is expected, however, the people, who are the true sovereign entity of the reunification movement, will be able to have more concern and participation in the reunification issue through these processes.

13269

#### **ECONOMIC**

##### **Central Bank To Enforce Tight Money Policy**

SK2607012788 Seoul *THE KOREA HERALD* in English 26 Jul 88 p 6

[Text] The Bank of Korea (BOK) will enforce a tight-money policy during the second half for the stable growth of the national economy, BOK governor Kim Kun said yesterday.

Pointing out that pressure for price increases is mounting, Kim said, "The central bank will curb the total money supply growth rate, M2, for this year below an originally projected 18 percent for price stabilization.

The nation's yearly money supply growth rate increased from 18 percent in May to 18.4 percent in June.

Meanwhile, wholesale and consumer prices during the first half of this year rose by 1.2 percent and 4.7 percent, respectively, threatening the commodity price stabilization efforts.

For effective monetary control, the governor said in a meeting with senior BOK officials that the central bank will encourage domestic firms to activate their overseas investment, while restraining the inflow of hot money for short-term speculation from abroad.

Kim also said that the central bank will induce big businesses borrowing the larger portion of bank loans to pay back their debts within the shortest period possible.

The central bank also will restrain the limited funds from being funneled into unnecessary sectors, he said.

The BOK governor, meanwhile, called on the government to keep expenditures within revenues and to pay back its borrowings from the central bank with the revenue surplus. He also asked the government to expand the issuance of national bonds to help the central bank's monetary control efforts.

At the same time, Kim said, "The central bank should make efforts to lead the limited funds to be supplied to sectors necessary for balanced development of the national economy."

Underscoring the importance of effective distribution of the limited funds Kim said that the central bank will expand its financial support for small and medium industries and companies in provincial areas.

The central bank will continue to provide financial support to local businesses for facility investment and technology development, required for the sustained growth of the national economy.

In line with the economic democratization, he said that the BOK should carry out its monetary credit policy for the self-regulated management system to be rooted in the nation's financial institutions.

Meanwhile, Kim estimated that the nation's overall economic growth rate will slow to 8 percent during the second half of this year, compared with 12 percent during the first half.

**Daily on Money Supply, Price Policies**  
SK0908001388 Seoul *THE KOREA HERALD* in  
English 9 Aug 88 p 8

[Editorial: "Price Stability"]

[Text] Like the sweltering heat of midsummer, blistering waves of price rises and real estate speculation are sweeping the country. So intense is the situation that it threatens economic prospects for the latter half of the year.

Improvisation is characteristic of the approach our economists and policy makers take toward unstable prices. Attempts are made to solve problems as they develop, but the efficacy is limited and short-lived.

A recent spurt in real estate speculation is spearheading the sharp upturn in prices. The absolute shortage of land and housing are primarily to blame, but feverish profit motives are a major element of the price picture.

By the end of July, consumer price indexes had risen nearly 5 percent. If the pace is left uncurbed, the government will be unable to keep the price rise below 6-7 percent.

Double-digit inflation, which Korea has succeeded in averting for the past many years, is feared. Ten percent is generally accepted to be the limit that must be defended by all means.

Multiple causes have combined to fan price hikes. The chief villain is no doubt the swelling money supply. A favorable balance of foreign trade fed by a solid export performance continues to increase currency, causing a corresponding expansion in demand.

The money supply was significantly boosted by the disbursal of political funds in the last two elections and wage hikes. "Hot money" pouring in from abroad also causes excess liquidity.

The money supply is bound to increase further as the state treasury purchases rice and pays for the various public works and welfare projects pledged by the administration.

The general assumption that an economic boom and political and social uncertainties will follow the Olympic Games is stirring up popular enthusiasm for real estate investment as a hedge against inflation.

A comprehensive set of measures is needed now to contain speculation and inflation. A lasting remedy should include fiscal, banking, industrial, trade and tax policies to replace the inadequate stopgap measures used so far.

#### **Third Quarter Prospects for Various Industries Detailed**

41070087 Seoul *MAEIL KYONGJE SINMUN* in  
Korean 27 Jun 88 p 3

[Text] Predictions for domestic business conditions in the 3d quarter, are that the current rapid rise will slow down. According to the results of a survey of top executives of 20 major industries done by this paper, the favorable export atmosphere will continue centered around the heavy chemical industries. The domestic demand is also expected to continually increase as the result of special demand created by the Olympics.

The high growth rate will, however, be kept in check for a while because of increasing general difficulties in the business environment such as the acceleration of the won exchange rate increase, the rise in price of some raw materials, and wage increases as a result of labor disputes.

The majority of the surveyees agreed that the growth rate in the 3d quarter will slow to around 8 percent compared to the 15.1 percent of the 1st quarter.

The view is that industries like industrial machinery, general machinery, automobiles, petrochemicals, tires, cement, food processing and tourism will continue to grow, while industries like textiles, oil refining, furniture, paper making, and construction, etc., will level off.

Particularly as a result of the acceleration of the won exchange rate increase, the industries which depend heavily upon exports such as the textile or electronics industries, or industries in which the price of raw materials is increasing rapidly such as the leather, paper making, or furniture industries are likely to suffer most.

In terms of overall industry, however, the domestic business conditions will depend largely on how companies adjust to price variables like the exchange rate, wages, and interest rates, and movements in overseas business conditions.

#### Positive Factors

The top executives point out that first of all factors such as a stable oil price, the special boom before the Olympics, efforts to overcome the after effect of the recent labor disputes, and increases in productivity are seen positive factors for the 3d quarter. Some executives of businesses which are very much seasonal in nature also point out the favorable sales of summer items.

In addition to these factors favorable to stable development of domestic demand, there is a prospective increase in our competitive power in the world export market because of the high Japanese yen exchange rate. Executives forecast that business conditions will not deteriorate extensively because of positive conditions like market diversification, promotion of increases in export prices, and regularization of trade with the Communist bloc, etc.

#### Negative Factors

There are also a number of negative factors. Of foremost concern is the continued acceleration of the won exchange rate increase as in the 2d quarter. The business world foresees the strong possibility of a breaking of the present level of 720 won per dollar. If this happens, many industries including the textile industry may cease being profitable.

In addition, increasing import controls in advanced countries, as we are pressured to open our markets, and price increases of international raw materials are potentially negative factors.

As for footwear and leather, there are accelerating trends among big buyers to change the countries of import. Taking measures to counter this changes is an urgent task for these industries. In addition many businesses seem likely to suffer a severe shortage of capital following the reduction or cancellation of export financing as well as the tightening of loans.

#### Prosperous Industries

Representative prosperous businesses include heavy-chemical industries, like machinery, automobiles, petrochemicals, and iron and steel, or food processing aiming at seasonal demand, or the tourist industry looking to the special occasion of the Olympics. The tire and cement industries appear likely to maintain their unprecedented growth.

The domestic demand in the machine-tool field will increase because of promising investments in facilities like automated operations in the concerned industries. Export of regular machine-tools also appear likely to increase continuously. The export of industrial machinery such as plants will increase too. Office-use machinery is also expected to achieve a two-digit growth rate according to increased demand for office automation facilities such as facsimile, copy machines and typewriters. The automobile industry anticipates full operations to overcome product shortage problems, a result of the labor disputes and the consequent shutdown of operation in the 2d quarter. The shipbuilding industry appears likely to recover with increased building orders and the industry's autonomous control of ship price increases.

The petrochemical industry will certainly maintain its prosperity for a while considering the absolute quantity of material needed. The iron and steel industry appears likely to have a sustained boom because of the vigor in the industries which demand iron and steel. Tires and cement will also inevitably prosper for a while because of shortages in both items.

The food-processing sector expects expanded market based on increasing domestic demand before the Olympics, added to the summer season demand. The pharmaceutical industry expects a sales boom in seasonal items such as liquids or pill-type medicine or laxatives.

The tourist industry faces a very prosperous situation with Olympic games coming up. The important point for this industry will be its ability to cope with the post-Olympic period.

### Slumping Industries

The industries which depend heavily upon exports such as textiles and footwear, or industries which use large amounts of raw materials such as leather, furniture, oil refining, or paper-making will continue to suffer.

Cotton textiles are suffering increasingly due to declining demand and increasing competition with the lesser developed countries. Synthetic textiles face a potential deterioration of finances after large-scale expansions.

Even though the clothing and sewing industries expect declines in exports due to the won exchange rate increase, it seems likely that this will be offset by creating new demand through upgrading of quality.

As for footwear, even though there is a change toward manufacturing of more expensive items, the industry

expects difficulties because of the withdrawal of large number of big buyers. Some manufacturers of low-priced products will inevitably experience bankruptcy because they have lost the competitive edge.

Similarly, even though the leather industry is trying hard by making high value items or developing new materials, it also anticipates an overall slump in business. The furniture industry is also experiencing difficulties because of weak demand in the summer season. Oil-refining expects a considerable decline in sales due to the increasing decline of product price and a lack of use of heating equipment during the summer season. The construction industry also expects continuing difficulties due to completion of the construction of Olympics-related facilities, strengthening control of real estate speculation, and a slump in construction activities during the Olympics.

### Business Climate for Major Industries in the Third Quarter

P: Positive Factors

N: Negative Factors

C: Comprehensive Diagnosis

Industry	Prospect
Synthetic textile	<p>P: Oil price drop, electricity fee drop. Active progress to new markets. Expand in domestic market.</p> <p>N: Rise in price of raw materials. Trade restrictions weakening competitive power. Oversupply by expansion.</p> <p>C: Expect slower growth in both sales and exports due to weakening profitability after won exchange rate increase and weakening of export boom in material fibers.</p> <p>[Yi Sang-chol, Pres. of Kolon Co.]</p>
Electronics	<p>P: Vigor in domestic demand due to the Olympic boom and summer demand. Expansion of export toward Communist bloc and Southeast Asia. Alleviation of management cost rise due to oil price drop and price stabilization policy.</p> <p>N: Accelerating won exchange rate increase. Strengthening trade restrictions in advanced countries. Import tax rate drop. Rise in price of raw materials and wages.</p> <p>C: Expect slow down due to slow export growth rate, labor disputes, wage increases, and the currency policy of price stabilization.</p> <p>[Kim Yong-won, Pres. of Daewoo Elec. Co.]</p>
Automobiles	<p>P: Recovery from labor disputes. Sales promotion drive for new cars. Increasing market competition for medium- sized cars.</p> <p>N: Expect 700 won per dollar due to won exchange rate increase. Increasing demand for imported cars.</p> <p>C: Expect slower growth compared to the first half of the year due to difficulties in complete recovery from losses during the labor disputes. First half: 12 percent growth. Expect 8 percent this quarter.</p> <p>[Yi Yang-sop, Pres. of Hyundai Auto Co.]</p>
Shipbuilding	<p>P: Autonomous effort to increase ship prices. Increasing rise in the price of old ships. Prosperous environment for sea transportation, including after yen exchange rate increase.</p> <p>N: Increasing won exchange rate. Increasing wages after labor disputes. Slow down in operations.</p> <p>C: Expect more orders than last year. Export this year is \$1.32 billion, 54.7 percent increase compared to last year.</p> <p>[Choe Kwan-sik, Pres. of Samsung Heavy Industries Co., Ltd.]</p>
Machinery	<p>P: Increasing investment in automated facilities. Increasing investment in strategic industries like automobiles or electronics. Active development of new products.</p>

**Business Climate for Major Industries in the Third Quarter**

N: Increasing won exchange rate. Liberalization of import of machinery. Deterioration of export environment.

C: Expect continuous boom following active investment in strategic industries like automobiles or electronics. Expect 15 percent sales increase particularly due to increasing demand from domestic market.

[Yun Pok-hyon, Pres. of Hwason Machinery]

**Iron and Steel**

P: Oil price drop. Boom in domestic market. Expansion and modernization of facilities.

N: International raw materials price increase. Liberalization of imports. Won exchange rate increase. Production cost increase.

C: Expect continuous boom due to boom in other industries which need iron and steel. Nevertheless, profit will go down because of increase in raw materials prices and production costs.

[Pak Kwang-po, Pres. of Sammi Special Iron and Steel Co.]

**Petroleum**

P: Stable oil price. Increasing domestic demand.

Increase in productivity through rationalization of the production process.

N: Raw material price increase or shortage. Weakening profitability by the price difference between domestic market and overseas market. Increasing won exchange rate.

C: Expect status quo. Expect 10 percent growth rate same as the second quarter.

[Chong To-sun, Pres. of Honam Petrochemical Co.]

**Oil Refining**

P: Stable oil price. Increasing demand for automobiles. Increasing taste for better quality cars.

N: Sales drop due to oil products price drop. Financial burden. No demand for fuel in summer.

C: Expect overall sales drop due to price drop and reduction in demand in summer.

[Song Nak-chong, Pres. of Kyongin Energy Co.]

**Footwear**

P: Increasing demand from domestic market due to the Olympic boom. Development of high fashion, better quality products. Diversification of markets. Drop in leather price.

N: Increasing won exchange rate. Decrease in order from big U.S. buyers. Strengthening trade restrictions from Europe.

C: Expect difficulties because of seasonal reduction in demand and decrease in orders. Profitability will suffer due to impossibility of price increase. Expect 3.5 percent decrease in growth compared to the second quarter.

[Sin Sang-tae, Pres. of Kukje Merchandising Co.]

**Tire**

P: Continuous increase in domestic demand. Use of domestic tires for export cars. Export profitability improved because of facilities expansion.

N: Increasing won exchange rate. Increase in raw material prices and wages. Expect overcompetition with Michelin Tire due to its entering into the domestic market.

C: Expect boom in export field. But expect fierce competition with Michelin Tire in the domestic market. Overall, expect 13 percent growth rate.

[Pak Chong-ku, Pres. of Kumho Tire Co.]

**Leather**

P: Increasing demand for leather materials. Diversification of export market. Growth in exports.

N: Raw leather price increase. Buyers' change in countries of purchase. Accelerating financial difficulties.

C: Not so bright profitability in spite of development of new materials or better quality, high profit items. Expect moderate growth rate of 7 percent.

[Cho Kyong-Sik, Pres. of Taejon Leather Co.]

**Cement**

P: Increase in land permits for construction. Finishing construction for the Olympics. Active government policy for construction boom. Development of the Yellow Sea coast.

N: Impact of labor disputes in small and medium sized leimcon businesses. Reduction in government supply.

C: Expect overall boom due to increasing domestic demand even though exports will go down.

[Hyon Chae-hyon, Pres. of Tongyang Cement Co.]

**Pharmaceutical**

P: Prosperous sales in summer season beverage-type items. Expansion of the medical insurance beneficiaries. Diversification of management.

**Business Climate for Major Industries in the Third Quarter**

N: Decrease in demand for summer medicine due to rising living standard. Increasing burden after liberalization of imports and new patent system. Strengthened enforcement of KGMP (Manufacturing standards for good quality medicine). Raises production costs.  
C: Overall pharmaceutical industry feels limitations on its growth.  
[Kim Song-ho, Pres. of Poryong Pharmaceutical Manufacturing Co.]

Furniture	P: Boom in exports to Japan due to high yen exchange rate. Continuous increase in domestic demand. Increase in office automation-related furniture. N: Weakening profitability of exports due to won exchange rate increase. Rapid rise in raw materials prices. Financial pressure. C: Overall condition is unpromising. Expect 5 percent growth rate due to rising income and Olympic boom. [Wi Sang-sik, Pres. of Borneo Furniture Co.]
Paper-making	P: Increasing establishment or reopening of newspaper or magazine companies. Reduction of energy costs by oil price drop and electricity fee drop. Improving export conditions due to high Yen exchange rate. N: Increase in price of raw materials. Seasonal decrease in demand. Decrease in import tax. C: Expect increase in domestic demand and exports but profitability will worsen because of pulp and old paper price rise and wage increase. Expect 10 percent increase in domestic demand and 12 percent increase in exports compared with the second quarter. [Yi Sun-kuk, Pres. of Onyang Pulp Co.]
Food-processing	P: Increasing domestic demand before the Olympics. Seasonal demand in summer. Expanding market due to improved income standard and concerns for health. Improvement of quality of food according to the development of transportation and packaging industry. N: Increase in price of raw materials and wages. Over-competition due to numerous small businesses. C: Expect overall 15-20 percent sales increase due to Olympic boom and seasonal increase in demand. [Min Pyong-hon, Pres. of Haitai Dairy Products Co.]
Trade	P: Olympic boom. Increase in exports to Communist bloc. Diversification of markets. N: Increasing won exchange rate. Financial difficulties due to curtailment or cancellation of the export promotion policy. Production cost increases due to labor disputes. C: Expect 5-6 percent growth from the second quarter by diversification of market or improvement of quality of export items. [Yi Sun-sok, Pres. of Sonkyong Trading Co.]
Marine transportation	P: Stable oil prices. Decrease in shipwrecks. International recovery of sea transportation. N: Acceleration of won exchange rate increase. Wage increase. Oil transportation drop during summer slack period. C: Expect overall prosperity, in spite of the summer slack period. Recovery from slump, and enter into upward trend. [Cho Sang-uk, Pres. of Dooson Merchant Ship Co.]
Tourism	P: Olympic special boom. Seasonal increase in demand. Tendency toward liberalization of overseas travel. N: Slow down in number of foreign travelers because of won exchange rate increase. Wage increase. Shortage of workers. C: Expect peak in upcoming Olympic period. Now focus is on how to cope with post-Olympic period. [Choe Taek-kun, Pres. of Tongbu Highway Sightseeing Co.]
Construction	P: Active flow of mixed capital into real estate market. Increased construction of commercial buildings. Promotion of redevelopment projects. N: Completion of the construction related to the Olympic games. Strengthened controls on real estate speculation. Slump during the Olympic period. C: Expect considerable slump. Large-scale government construction projects such as development of the Yellow Sea coast are postponed until next year. [Kwan Tae-uk, Pres. of Hanbo Construction Co.]

**Large Corporations' Plant, Equipment Investment**  
41070081 Seoul MAEIL KYONGJE SINMUN in  
Korean 21 Jun 88 p 1

[Text] Despite worsening management conditions such as upward revaluation of the won and labor disputes, large corporations are briskly investing in plants and equipment.

Large-scale investments are continuing in iron and steel, automobiles, and semiconductors, where exports are holding up well, as well as in petrochemicals and wood pulp to meet domestic demand.

According to economic circles on 21 June, 25 companies are pushing forward with investments totalling 8.5 trillion won, including Pohang Iron, which recently decided to invest 1.8 trillion won for completing the third phase of its Kwangyang plant, with an annual production capacity of 2.7 million tons.

In the iron and steel field, other than Pohang Iron, Tongguk Steel is investing 110 billion won in plants with an annual production capacity of 36,000 tons of cold rolled steel plate and 60,000 tons of aluminum steel plate. It expects construction to be completed by the end of next year. Korea Lead Pipe has decided to build a lead pipe manufacturing plant with an annual capacity of 800,000 tons.

In the automobile field too, investments are surging. Kia Industries has invested 300 billion won to build an assembly plant with an annual production capacity of 150,000 units in Namyang, which it expects to complete by 1990; Daewoo Automobile has decided to invest 200 billion won to build a light automobile plant in Changwon capable of producing 200,000 cars annually. Also, Daewoo is considering the investment of 300 billion won to increase its production facilities to a capacity 200,000 sedans. Taking the opportunity of liberalization of new entries, effective from the latter half of the next year, Ssangyong Automobiles is planning to invest in a 500 billion won plant with an annual production of 150,000 cars by 1993.

Particularly in the petrochemical field, amid competitive investments, Samsung Group is pushing forward an

investment of 860 billion won to construct an independent petrochemical industrial complex in Sosan, South Ch'ungch'ong Province.

Hanyang Chemical of Korea Explosives Group and Lotte Group, too, decided, by investing 650 billion won and 530 billion won, respectively, to construct their own naphtha decomposition facilities and subsidiary plants.

Besides those, Lucky Goldstar, with an investment of 400 billion won, is constructing a naphtha decomposition facility of 350,000 tons capacity and Daehan Petrochemical too, with an investment of 200 billion won, is pushing forward construction of a naphtha decomposition plant of 250,000 tons capacity.

In the textile industry, investments for securing raw materials and diversification are being made briskly. Samyangsa is investing 400 billion won to build a manufacturing plant for TPA, a raw material of synthetic fiber, with an annual capacity of 200,000 tons, which it expects to complete by 1992. Dongyang Nylon is negotiating with authorities to construct a Caprolactam plant with an annual capacity of 100,000 tons. Kolon has decided to make concentrated investments of 720 billion won by 1991 in the electric and electronic fields to diversify its business.

In the aluminum industry, Choi Alminium, Korea Mining and Refining, and Taehan Aluminum are investing 100-200 billion won each, and are each building aluminum plate plants competitively.

In the paper industry, Tonghae Pulp and Taerim Industrial have begun to build chemical pulp plants with an annual capacity of 200,000 tons and 400,000 tons, respectively; Chonju Cheji and Hanguk Cheji are launching construction of large scale newsprint factories with a capacity of 200,000 and 100,000 tons, respectively.

Besides these firms, the majority of paper manufacturing firms including Kyesong Paper and Murim Paper is carrying out expansion of plants and equipment in order to meet the increasing demand for paper. xyv-drti Meanwhile, in the high-tech industries such as aircraft parts and semiconductors, Samsung Semiconductor and Communication and Goldstar Semiconductor are investing 140 billion won and 180 billion won, respectively, in expanding facilities for 1 megabyte dram chips; Samsung Aircraft and Daewoo Heavy Industrial are launching large scale expansion of plants and equipment until 1991-92 for the production of aircraft engines and parts.

**Details on Large Scale Investments of Big Corporations**

Company Name	Location	Category	Annual Production	Investment Amount (in billion won)	Completion Date
Pohang Iron	Kwangyang	iron and steel	2,700,000 tons	1,800	89-91
Tongguk Steel		cold rolled steel plate	420,000 tons	110	89
Hanguk Kangwan	Taebul	steel pipes	800,000 tons	100	92

Details on Large Scale Investments of Big Corporations

Company Name	Location	Category	Annual Production	Investment Amount (in billion won)	Completion Date
Kia Industrial	Namyang	automobiles	150,000 cars	300	90
Daewoo Automobile	Changwon	light automobiles	200,000 cars	200	90
Samsung Chemical	Sosan	petrochemical	350,000 tons	860	92
Hanyang Chemical	Yochon	petrochemical	350,000 tons	650	92
Lotte	Yochan	petrochemical	350,000 tons	530	93
Daehan Petrochemical	Onsan	petrochemical	250,000 tons	200	92
Lucky	Yoju	petrochemical	350,000 tons	400	92
Samyangsa	Chonju	textile, chemical	200,000 tons	400	92
Choiil Aluminum	Pohang	aluminum	100,000 tons	98.9	91
Korea Mining & Refining	Pohang	aluminum	100,000 tons	100	91
Daehan Aluminum	Ulsan	aluminum	120,000 tons	220	93
Kolon	Ulsan	electric, electronic	—	720	91
Halla Group	Okkye	cement, car parts	2,700,000 tons	200	89
Tonghae Pulp	Onsan	chemical, pulp	200,000 tons	110	90
Taerim Industrial	Canada	chemical, pulp	400,000 tons	300	undecided
Korea Paper	—	printing paper	100,000 tons	70	89
Chonju Paper	Chonju	paper	200,000 tons	100	92
Samsung Aircraft	Sachon	aircraft parts	—	270	91
Daewoo Heavy Industrial	Inchon	aircraft parts	—	220	91
Samsung Semiconductor	Kihung	semiconductor	—	140	88
Goldstar Semiconductor	Suwon	semiconductor	—	180	88
Daewoo Electronic Parts	Namwon	electronic parts	—	230	89

**Ramifications of Samsung Companies Merger Noted**

41070095a Seoul MAEIL KYINGJE SINMUM in Korean 9 Jul 88 p 6

[Text] In November, Samsung Electronics and Samsung Semiconductor and Communications will merge and start a new company and, by the year 2,000, this company will be the fifth largest in the world. Currently, a merger agreement and mid- and long-term management plans have been set.

For the time being, the new company will operate in 3 divisions: appliances, information and communication, and semiconductors. By 1991, the industrial electronics group will expand from 27 percent to 56 percent while sales will increase to 8 trillion won.

On the first of November, when the 2 firms merge into one, the number of employees will be 38,000 and the sales figures are expected to soar to 3.7 trillion won,

making the company the largest in Korea. By strengthening international competition capabilities and by acquiring the leading technology, after 3 years from the start of the merger, according to their plan, the company is expected to grow more than twice its current size.

To structure a totally dedicated management style, the company will expand the staff functions, the research and development, and the sales division, and then the production sites will be increased to 4 to produce specialized products at each site. According to their plan, it will be through the reorganization of the production system that the expansion and emphasis will focus on semiconductors and industrial electronics.

Firstly, to operate the appliances, information and communication, and semiconductor divisions, the information and data equipment sales headquarters of Samsung Electronics will merge with the information and communication sales headquarters of the other firm. This merger will prevent any duplication, and will allow for the diversification of products, and a strengthening of international competitiveness.

In R/D, a central research facility will be installed which will absorb the central laboratory of Samsung Electronics and the semiconductor and communication laboratory of the other firm into one entity.

In the overseas sales operation, any multiplicity in the business operation will be unified according to locality, and the sales operation will be conducted through a corporation.

According to the plan, production sites will manufacture specialized products only: Suwon will manufacture audio-video equipment and other household appliances; Kumi will manufacture communication equipment; Kihung will manufacture computers, information handling equipment and semiconductors; and Buchun will manufacture semiconductors.

The merged company will strengthen the industrial electronics field, which is a current trend in the world, so that the ratio between household appliance production and industrial electronics which is 85:15 before the merger, will be 62:38 after the merger, and 44:56 in 1991. In other words, in 1991, more than half of the total production will be industrial electronics related, and the projected sales will be 2.5 trillion won for information and data handling equipment, 2 trillion won for semiconductors, and 3.5 trillion won for appliances, for a total of 8 trillion won.

12482

#### **Samsung Group Concentrates on Petrochemical Industry**

41070109 Seoul MAEIL KYONGJE SINMUN in  
Korean 28 Jul 88 p 5

[Text] Recently the Samsung Group, by instituting a plan for mobilizing affiliated companies to concentrate investment in the petrochemical industry, has been showing an unprecedented interest in the petrochemical and precision chemical industries.

The Samsung Group, which as late as 1986 included only TPA [terephthalic acid] Production (Samsung Petrochemical) for crude oil, since last year has had five companies become involved with new chemical projects. In the group as a whole, the raw material industry is expanding.

The explanation for this is that it was inevitable that Samsung, in order to maintain its competitive edge in areas such as electronics and semiconductors in which it has secured superiority over other groups, would nurture related raw material industries.

Besides Samsung Petrochemical, since last year such affiliated companies as Cheil Wool Textiles, Samsung Corning, Cheil Sugar, and Samsung General Chemicals have, one right after another, been brought into petrochemical and precision chemistry projects. Recently,

even Cheil Synthetic Textiles has been promoting projects in epoxy resin, which is a raw material for electronics, electronic appliances, and aviation. The number of corporations in the Samsung Group working with chemicals has grown to six.

Of particular note is that Samsung Group announced in May of this year that the entire group is promoting the construction of Samsung General Chemicals integrated Petrochemical complex along the West Sea coast (at a cost of 1 trillion won).

Samsung General Chemicals plans to use an integrated production process to produce eight petrochemical products, including ethylene, the basic raw material of petrochemistry, and HDPE [high density polyethylene] and LDPE [low density polyethylene].

In addition, current chemical projects which the Samsung Group is promoting, besides the already existing TPA project of Samsung Petrochemical, are new projects for precision chemistry by Cheil Sugar and for the production of ABS and PS by Cheil Wool Textiles, barium carbonate and strontium carbonate by Samsung Corning, and epoxy resin by Cheil Synthetic Textiles.

Last year Samsung Petrochemical completed the number two TPA plant, which has an annual capacity of 280,000 tons. Their productive capacity now is approximately 500,000 tons, which ranks them fourth in the world for a single project.

Cheil Wool Textiles is investing approximately 4.5 billion won in a 30,000 ton ABS plant they are now setting up. In the future, with this as the raw material, they will also become involved in engineering plastic projects. They will expand the realm of their projects to include even automobiles and electronic parts.

Cheil Wool Textiles will also become involved with a PS [polystyrene] project. PS is used much like ABS [acrylonitril-Butadiene-Styrene Resin] is. They have decided to invest 4.5 billion won to construct a plant with an annual production of 90,000 tons.

At the beginning of this year Samsung Corning established Taehan Precision Chemicals in collaboration with Belgium's Solvay company. They are starting up the production of barium carbonate and strontium carbonate, inorganic precision chemistry products which are the raw materials for Braun tubes.

Samsung Corning is spending 4 billion won to build a sizable plant with an annual production of 50,000 tons.

Furthermore, Cheil Sugar, under a policy of making pharmaceuticals and precision chemistry its core industries, is focusing its efforts on precision chemistry as the foundation for genetic engineering. Also Cheil Synthetic

Textiles, which is a synthetic textile production company, has recently decided to work with the Swiss company Siva to promote a new epoxy resin project.

9953

**Paper Says Government Should Focus on Curbing Speculation**

*SK0408235188 Seoul THE KOREA TIMES in English  
5 Aug 88 p 8*

[Editorial: "Strong Anti-Inflation Steps"]

[Text] Really alarming in view of its threat to the national economy is the recurrence of a wide-ranging inflation spiral spurred by hectic speculation in real estate and a dizzy hike in consumer prices.

The undesirable spiral is attributable to the ineffectiveness of a series of recent government measures designed to stabilize prices and control speculation in real estate.

Needless to say, the maintenance of economic stability devoid of inflation is an overriding precondition to sustaining our economic growth and promoting the real national interest.

Accordingly, as is widely recognized, economic stabilization policy should remain intact in case of change of government and economic policymakers.

According to the latest announcement by the price control authorities, this year consumer prices have risen by as much as 4.9 percent while wholesale prices have increased by 1.6 percent, a level substantially beyond the government target. Especially worrisome is the phenomenal hike in the cost of living, that is, in the prices of rice and foodstuffs, housing expenses and service charges.

Apparently fanned by the people's uneasiness about the dangerous price spiralling, unproductive speculation in real estate especially in apartments and land across the country has become almost uncontrollably wild, traded prices marking a sharp increase of 10 percent in a single month. In the most hectic case, real estate quotations have reportedly soared an enormous 100 percent as compared with those several months ago.

The speculative spree may be led largely by misgivings about the advent of an inflation spiral after the Seoul Olympic Games due to open next month, as a result of high expectations of a booming demand around the international sports event. In addition, adding fuel to the inflation spiral are news reports on the graveness of the drought in the United States and the seasonal factor pushing up the prices of agricultural products.

To blame for the wave of speculation in real estate aimed at unearned windfalls are the excessive number of realtors bent on fanning speculative transactions in real estate only to gain commissions from the deals they conclude.

Of course, one other important cause of the inflation-ridden speculation in real estate is the sharp increase in the money supply as a result of the sustained current-account surplus and in financial needs at the time of the presidential and parliamentary elections since late last year.

Also encouraging the people's "buy real estate" mentality are politicians' numerous election pledges of dreamy development projects for their electorates and a rash government announcement that it was planning to decontrol the selling prices of apartments hitherto subject to government approval, a measure leaving the prices up to individual housing builders.

Anyhow, urgently needed are strong and effective government measures to curb speculation once and for all by stemming the groundless worry about the arrival of an even more heated inflation spiral following the Seoul Olympiad.

To this end, the government is advised to be resolute in adopting fundamental land policy remedies even by limiting the acreage of land ownable in specific areas, advancing the timing of implementing the levying of composite land taxes and collecting gains from government-initiated land development projects received by beneficiaries so as to equalize the public benefits.

We should realize that the ongoing democratization program and welfare polices are of little help to the people at large without economic prosperity based on inflation-free stabilization. Policy focus should be now placed on the arrest of inflation and stabilization of prices.

**SCIENCE & TECHNOLOGY**

**Basic Space, Aeronautics Program Considered**  
*SK1907071888 Seoul YONHAP in English  
0250 GMT 19 Jul 88*

[Text] Seoul, July 19 (YONHAP)—The government considers drawing a basic program for developing the nation's space and aeronautics industry in an effort to encourage related private businesses to set up long-term investment schemes, the trade and industry ministry officials said Tuesday.

A draft implementation decree of the space and aeronautics industry development promotion law, which is now under consideration at the ministry, stipulates that the government indicate in the basic program future plans to

procure aircraft, to develop specialization of related industries and to promote joint ventures with foreign businesses and introduce advanced foreign technology, according to the officials.

The officials also said that a high-powered council to be led by the prime minister would be put into action for examining possible policy measures designed to promote the space and aeronautics industry.

The implementation decree also has it that the government sets up a space and aeronautics research institute.

**Government Plans High-Tech Research Projects**  
SK3107004288 Seoul *THE KOREA TIMES* in English  
31 Jul 88 p 3

[Text] The government will give strategical importance to 57 research projects in 13 high-tech fields such as super-conductors, new materials, bio-engineering, laser-optics science and aerospace, investing as much as 100 billion won during next year alone.

The state-financed research plan seeking knowhow of strategical importance will be implemented with the participation of industries, universities and state-funded science institutes, the Science- Technology Ministry announced.

Dr Yi Kwan, science-technology minister, announced the research projects in four categories according to the nature of the researches government initiated or government-industries joint researches; joint researches with foreign countries; application-oriented basic researches; and feasibility studies for government-initiated researches and their post-evaluation.

The ministry has designed the strategic research plan with the intention of copying properly with international standards in science and technology, making rapid progress and also to include Korea among the list of technologically leading nations at the earliest date.

According to the ministry, government-initiated or government-industries joint researches will cost 83.5 billion won out of the 100 billion won earmarked for all the projects next year.

Ten percent or 10 billion won will be used for application-oriented researches aimed at developing research capability latent within the universities.

International research programs will require five billion won, and pre-study and post-evaluation, another 1.4 billion won.

Eleven priority projects such as laser-optic technology and technology under extreme conditions are under way at a budget of 12 billion won this year.

Project on 4-mega D-ram going on under overall supervision by the Electronics-Telecommunications Research Institute is participated in by an aggregate number of 670 experts including those from institutes attached to the nation's three leading manufacturers of semi-conductors.

It will be followed by a research project on 16 and 64-mega D-ram next year and will require research funds of nearly 200 billion won from government and industries during the four years to come, the ministry said.

Nineteen teams including those from seven state-financed institutes and four universities will make concerted efforts to develop technology on high-temperature super-conductors under a research plan oriented to national policy goals. This project started in November and will cost five billion won before scheduled completion in August, 1990.

For post-evaluation of strategic research projects for fiscal year 1987, the ministry held an open session in the fields of information science and electronics on Thursday and Friday at the Korea Advanced Institute of Science and Technology, and plans another session on mechanical engineering and new materials on Monday and Tuesday at Seoul National University.

**FOREIGN RELATIONS, TRADE**

**Interview With Chinese Scholar on Trade With Korea**  
41070108 Seoul *MAEIL KYONGJE SINMUN* in Korean 25 Jul 88 p 2

[Interview with Zhang Wen-wu, assistant director of the Center for the Study of the Soviet Union and East Europe; interviewer unidentified, date and place not specified]

[Text] A 2-day international academic conference on the Soviet Union, China, and Eastern Europe, sponsored by the Yonsei University Institute for the Study of East-West Issues, opened at the Silla Hotel on the 26th.

For the first time a scholar from the Chinese Academy of Social Science, Zhang Wen-wu, assistant director of the Center for the Study of the Soviet Union and East Europe, attended this international conference.

I met Assistant Director Zhang, who was born in 1933 in Nanjing City in Jiangsu Province, graduated from Nanjing University, and also studied and did research at Bonn University in West Germany from 1975 through 1979.

[Question] "First of all, could you tell me the details of how you came to visit Korea?"

[Answer] "I was invited as the Chinese representative to the academic conference sponsored by the Yonsei University Institute for the Study of East-West Issues.

"I had no trouble receiving permission from my government. However, I understand that the representative from the Soviet Union, who was invited along with me, has not arrived. It is a fundamental policy of the Chinese Government to transcend ideology and have exchanges with any nation on earth in nongovernmental spheres such as scholarship and sports."

[Question] "Such a policy of the Chinese Government appears to be not unrelated to the plans for liberalizing the economy."

[Answer] "The fundamental spirit of not caring whether the cat is black or white, articulated by Deng Xiaoping, the current chairman of the central military affairs commission, is the basis of the current Chinese policy of liberalization. For a while China did not pay enough attention to what was going on in the world. As a result the overall living standards of the people declined.

"If that isolationist foreign policy had lasted much longer, it would probably have meant the collapse of the national economy. Though there is some movement by conservatives who oppose some of the reforms, it is the firm stance of the Chinese Government that economic reform will continue."

[Question] "What do you think about the chances for an increase in exchanges with Korea in economic and other such nongovernmental spheres?"

[Answer] "China hopes to increase the export of raw materials to Korea. We also hope that Korea will reach out to the mainland by working with China in such areas as construction, iron and steel, light industry, and proprietary products. However, I am worried that Korean businesses have an over optimistic picture of the Chinese market.

"China is a nation with an abnormal two-tier structure. It possesses the world's most advanced technology, successfully testing nuclear weapons and launching man-made satellites, but also it is in terrible shape in the fundamental necessities of life, such as the production of shoes and clothing. My own salary is about \$100 a month. There is a considerable gap between the standard

of living in China and that in Korea. I would like to offer some advise. It would be a terrible mistake for Korean businesses to ignore these conditions and push for the establishment of a color TV factory or dream of exporting automobiles. It would be better to first study what China is actually like."

[Question] "What of the possibility that China and Korea will establish formal diplomatic ties?"

[Answer] "Politically, it looks like it has not gone beyond the stage of some consideration being given to looking carefully into the matter.

"Therefore it appears that chances are dim for an immediate establishment of diplomatic relations. It is better to hope that growth in exchanges in nongovernmental areas will make the establishment of regular diplomatic relations inevitable."

[Question] "You are an expert on Soviet issues. What is the current state of relations between China and the Soviet Union?"

[Answer] "The key reason China and the Soviet Union were unfriendly was that for a long time they were unhappy with each other over a border dispute. However, since the Vladivostok declaration of July, 1986, there has been agreement that the international boundary would run down the middle of the Amur and Ussuri Rivers, which had been the epicenter of the border dispute. Therefore, the situation as it stands now is that the reasons for the dispute have disappeared and there is movement toward reconciliation."

[Question] "What is the outlook for Sino-Soviet relations in the future?"

[Answer] "Since November of last year it has continually been proposed that the General Secretary of the Soviet Union, Mikhail Gorbachev, meet with the supreme leader of China, Deng Xiaoping, to bring about a reconciliation. The United States actively supports the notion of a Sino-Soviet summit meeting. As both nations are continuing to promote policies of reform and liberalization, there appears to be enough justification for saying it is possible there will be a Sino-Soviet summit meeting."

## POLITICAL

### Officials Attend Opening of Electrified Railroad

SK2007010588 Pyongyang Domestic Service in Korean  
1200 GMT 17 Jul 88

[Excerpts] The Pukchang-Myonghak railroad electrification project has been completed and thus the railroad line has been opened.

A ceremony to mark the opening of the electrified railroad was held today on the spot. Yi Kil-song, chairman of the Transportation Committee, and other personages concerned attended the ceremony together with the builders of the electric railroad, employees of the railroad and workers of Pukchang County.

At the ceremony, Choe Tok-hong, director of the General Bureau of the Western Railroad, made a speech.

### NODONG SINMUN Editorials for June 1988

41100306 [Editorial Report] The following editorials appeared in Pyongyang NODONG SINMUN in Korean during June 1988:

On 1 June 1988, at the upper right and center of page one, the paper carried an editorial entitled, "Fraternal Relations of Friendship and Cooperation Which Are Being Strengthened and Developed With Each Passing Day." [Text published in FBIS-EAS-88-106, 2 June 1988, pp 8-9: "NODONG SINMUN Hails Visit."]

On 2 June 1988, at the upper right of page one, the paper carried an editorial entitled, "Let Us Vigorously Expedite the Weeding Battle With the Vigor Which Completed Transplanting." The editorial quotes Kim Chong-il on not letting up in the slightest after completing the transplanting battle but continuing to expedite the weeding battle vigorously stressed that the weeding battle is one of the key farming chores which must be successfully performed to prepare for a bountiful harvest; calls for the functionaries in all rural party organizations and the agricultural sector to recognize that a bumper crop this year, the year in which the 40th anniversary of the founding of the Republic is celebrated, hinges on successful completion of the weeding battle and therefore to organize for weeding paddies and fields as if they were flower gardens with the same vigor displayed in transplanting rice and corn seedlings; emphasizes the importance of mechanized weeding operations as the decisive guarantee for achieving a higher weeding ratio and further increasing fertilizer efficacy; calls for utilization of more four horsepower engines and for appropriate organizations and enterprises to deliver many more mechanized weeders to the countryside; exhorts all farm workers and helpers to follow the party slogan, "The Farm Field Is My Field" and go forth to perform high quality weeding in accordance with chuche farming

methodology and thereby achieve another breakthrough in this year's farming battle and celebrate the 8 September grand festival with a bumper harvest.

On 3 June 1988, at the upper right and center of page one, the paper carried an editorial entitled, "Let Us More Aggressively Wage the 200 Day Battle With Lofty Revolutionary Sense and Fighting Power." The editorial notes that 100 days have passed in the 200 day battle during which astounding miracles and exploits have been achieved in production and construction, quotes Kim Il-song on shining forth to the whole universe the might of the republic as a socialist country with autonomy, independence and self-sufficiency; praises the contributions of the brave construction workers and soldiers to key industrial construction projects such as power plants, coal mines, Sunchon Vinalon Complex, and Pyongyang's Kwangbok Street; in Pyongyang as well as the positive contributions of the whole country in transplanting rice and corn seedlings as well as achievements in transportation and coal industry all of which are the shining fruit of the wise leadership of the party and the leader; stresses that party members and workers must possess a revolutionary and strong willed nature in the spirit of the fighters on hill 1211 during the fatherland liberation war and during the period of the Chollima high tide; calls for functionaries in the ministries and committees of the administration council to perform organizational work in accordance with reality for materials provision, cooperative production, and transportation; exhorts everyone to rally around the party and achieve continual advances and innovations with a revolutionary spirit, fighting power and strong willed nature so as to celebrate as victors the 40th anniversary of the founding of the republic.

On 6 June 1988, at the upper right of page one, the paper carried an editorial entitled, "Let Us Strongly Raise the Young Pioneers as Inheritors of the Revolutionary Cause of Chuche." The editorial notes that this is the 42d anniversary of the founding of the Young Pioneers on 6 June 1946, quotes Kim Chong-il on the new generations being the future of the party and revolution which largely depends on whether they are trustworthy successors or not; emphasizes that it is important, above all, to indoctrinate the Young Pioneers in the chuche ideology in accordance with their particular nature to raise them as chuche type communist revolutionaries; states that the process of building socialism and communism is accomplished by reforming nature, society and man during the process of working classification accompanied with severe class struggle thus requiring that indoctrination of the Young Pioneers in revolution, class and socialist patriotism be intensified; notes that studying well is the foremost duty of the Young Pioneers; calls upon all party and educational organizations to enable the Young Pioneer organizations to firmly maintain the immortal exploits of the party and prepare the new generations as strong successors of the chuche revolutionary cause and thereby celebrate the 40th anniversary of the founding of the republic as a year of prestige and glory.

On 7 June 1988, at the upper right of page one, the paper carried an editorial entitled, "Let Us Take Prior Precautions for Monsoon Season Production." The editorial emphasizes establishing thoroughgoing measures for the monsoon season to ensure fulfillment of the 200 day battle tasks; quotes Kim Il-song on enabling production to continue whether it rains or snows; notes that the first 100 days of the 200 day battle have already gone by and that countermeasures must be taken ahead of time in order to assure that the 200 day battle tasks are completed by day, 10 day period and by month without fail; calls for mobilizing the masses to participate in setting up monsoon precautionary measures in all sectors of the national economy; stresses production measures in the extraction industry to provide a continuous supply of coal and minerals for the 200 day battle; urges those in the agricultural sector to continue to till their fields well and prepare them against wind and rain damage during the monsoon season; exhorts party organizations and three revolutions teams to widely inform production workers of the importance and need to establish measures to assure production during the monsoon season.

On 8 June 1988, at the upper right of page one, the paper carried an editorial entitled, "Let Us Positively Expedite Construction of the Sariwon Potash Fertilizer Complex." The editorial stresses that forces must be concentrated to complete the planned construction within the 200 day battle period of the Sunchon Vinalon Complex, Kwangbok Street and the Sariwon Potash Fertilizer Complex; quotes Kim Il-song on concentrating forces on building the Sunchon Vinalon Complex and the Sariwon Potash Fertilizer Complex this year; notes that if even 3 million tons of potassium feldspar is processed from the tremendous underground deposits in the Chongdan District every year, 510,000 tons of potash fertilizer, 420,000 tons of alumina and over 10 million tons of cement could be produced; notes that the party set the goal of completing the first stage construction of the Sariwon Potash Fertilizer within the 200 day battle period; notes that the soldiers and civilian construction workers have already achieved marked success during the first 100 days of the 200 day battle and calls for setting higher goals for the second half based on successes already achieved; calls for raising up the sense of responsibility and role of construction supervisors to enable them to mobilize the revolutionary zeal and creative positivism of the already highly motivated soldiers and civilian construction workers; exhorts the appropriate sectors and organizations to check over again and take the necessary steps to provide the materials and construction equipment needed for the Sariwon Potash Fertilizer Complex; states that logistics work is a key political work and that the Sariwon Potash Fertilizer Complex construction is a work off the entire party, whole country and entire populace; calls upon all party organizations to instill in the party members and workers an appreciation for the significance of completing the first stage construction of the Sariwon Potash Fertilizer Complex within the 200 day battle period.

On 10 June 1988, at the upper right and center of page one, the paper carried an editorial entitled, "Let Us Achieve Independence, Democracy and Reunification in the Fighting Spirit of the June Struggle." [Text published in FBIS-EAS-88-116, 16 June 1988, pp 13-14: "Daily Marks Anniversary of June Struggle."]

On 13 June 1988, at the upper right and center of page one, the paper carried an editorial entitled, "Let Us Shine Forth the September Grand Festival With Greater Labor Successes." The editorial states that the party members and workers throughout the entire country are displaying a higher revolutionary zeal and bringing about endless miracles and innovations as the days of the 200 day battle flow by aiming toward even greater exploits to celebrate the 40th anniversary of the founding of the republic; quotes Kim Il-song on bringing about a new high tide in all spheres of socialist construction this year to add luster to the 40th anniversary of the founding of the republic; calls for greater efforts in all spheres to accomplish the goals of the 200 day battle; calls upon all functionaries and workers to profoundly reflect on the origins of their prestigious and happy lives, repay the tremendous trust and concern of the party and leader with their loyalty and produce and build more for the party and revolution; urges farm workers to substantially carry out chuche farming methods and adorn the grand September festival with a bumper harvest; calls for construction workers to complete the construction goals of the Sunchon Vinalon Complex and Kwangbok Street during the period of the 200 day battle; exhorts all party members and workers to engage vigorously in such campaigns as the campaign to capture the red flag of the three revolutions and the campaign to emulate the unsung heroes; concludes by quoting Kim Chong-il's slogan, "Let Us Repay the Party's Political Trust and Generosity With High Political Consciousness and Skill!"

On 14 June 1988, at the upper three-quarters of page one, the paper carried an editorial entitled, "Let Us Firmly Establish the Trait of Deeply Studying and Thoroughly Implementing the Party's Policy." [Text published in FBIS-EAS-88-135, 14 July 1988, pp 19-21: "Paper Urges Implementation of Party Decisions."]

On 15 June 1988, at the upper right of page one, the paper carried an editorial entitled, "Let Us Heighten the Role of Scientists and Technicians in Accomplishing the 3-Year Plan of Scientific and Technological Development." The editorial quotes Kim Chong-il, "Heightening the sense of responsibility and role of scientists and technicians is particularly important in developing science and technology and equipping the national economy with modern technology"; calls upon scientists and technicians to appreciate the importance and prestige of their mission to develop the science and technology of the country and responsibly accomplish the plan for technological development and settle technical problems at the site; urges scientists and technicians to actively

participate in such campaigns as the "17 February Scientist Shock Brigade," "17 February Scientist and Technician Shock Brigade" and the "15 April Technical Innovation Shock Brigade"; calls for cooperation among scientific research organizations themselves and with educational institutions to display the superiority of socialist collectivism; calls for all scientists and technicians to participate in raising up science and technology to new heights by more vigorously waging the 200 day battle to develop the country's science and technology.

On 17 June 1988, at the upper right and center of page one, the paper carried an editorial entitled, "Let Us Concentrate All Efforts and Rapidly Conclude Kwangbok Street and Major Construction Projects of the Capital." The editorial quotes Kim Il-song on the construction workers engaged in Kwangbok Street and other key construction projects in Pyongyang building maximum quality buildings to change Pyongyang into a more grandiose and modern city; notes that key construction projects in the 200 day battle have already passed the stage of skeleton assembly and have entered the final construction stages and are presently expediting completion of the Angol Sports Village, athletics gynmasium and stadium; notes that there are some construction projects which are to be completed by the 40th anniversary of the founding of the republic, others by the end of the year and others prior to the 13th World Youth Festival; states that the construction workers at the Kwangbok Street construction project have produced on their own over 230 kinds of building materials including high class exterior finishing materials, foam heat insulation, freezers, etc.; calls upon the functionaries engaged in the major construction projects to display a revolutionary spirit and combat prowess in organizing and supervising battle assignments for the purpose of creating new miracles and innovations; exhorts everyone to more vigorously engage in Kwangbok Street and other key construction projects in order to celebrate the 40th anniversary of the founding of the republic as victors.

On 18 June 1988, at the upper right and center of page one, the paper carried an editorial entitled, "Let Us More Highly Display the Revolutionary Spirit of Self-Reliance in All Sectors and All Units." The editorial quotes Kim Chong-il on the cadre and party members highly displaying the revolutionary spirit of self-reliance to find what is lacking, break through all barriers and thoroughly implement the decisions and orders of the party; calls for all to foster the spirit of supplying what is not given from up above and fight with the revolutionary spirit of self-reliance to accomplish their 200 day battle assignments; calls for all functionaries and workers to establish an atmosphere in which they work with optimism, displaying the revolutionary spirit of self-reliance in accomplishing their goals in the 200 day battle; exhorts all to vigorously advance toward greater upswings in the 200 day battle and socialist construction.

On 20 June 1988, at the upper right of page one, the paper carried an editorial entitled, "Let Us Positively Utilize Low Calorie Coal and Pre-Anthracite." The

editorial notes that the demand for raw materials, fuel and power has markedly increased during the 200 day battle which requires that low calorie coal and pre-anthracite be utilized widely in all units of every sector; quotes Kim Il-song on making an effort to develop science and technology to develop and use the country's coal resources; states that a very large quantity of low calorie coal and pre-anthracite exists in the country which, although they might be low in heat production, they can be easily extracted with small investment; emphasizes that low calorie coal and pre-anthracite is being used in boilers and industrial ovens in factories, enterprises and thermal power plants, in accordance with party requirements; states that this is a very good and praiseworthy act in so far as it conserves the country's wealth and that a mass campaign should be waged to develop and use low calorie coal and pre-anthracite in order to meet the increasing demand for coal, especially after the construction of the Sunchon Vinalon Complex; calls upon all units in every sector to learn by the experience with low calorie coal and pre-anthracite gained by Kumchon and Hoeyang counties; states that utilization of low calorie coal and pre-anthracite requires modification of heating equipment to accommodate this fuel which is a difficult problem which should be solved by scientists and technicians; urges functionaries to perform their organization assignments well to utilize low calorie coal and pre-anthracite; exhorts all functionaries in all units and party organizations in every sector to explain and advertise among the masses the significance and importance of using low calorie coal and pre-anthracite and to continue to entrench politico-organizational work among them and thereby bring about a great transformation in accomplishing the 200 day battle assignments and the goals of the Second 7-Year Plan.

On 25 June 1988, at the middle of page one immediately under a photograph of Kim Il-song meeting with Gus Hall, the paper carried an editorial entitled, "Let Us Block and Destroy the Aggressive and Bellicose Machinations of the U.S. Imperialists and Bring About the Cause of National Reunification." The editorial notes that 38 years have passed since the U.S. imperialists ignited the flames of the war of aggression in Korea and that the Korean people conducted a heroic struggle against the armed attack of the U.S. imperialists and were victorious over the mercenary troops of 15 countries under the great military strategist, the respected and beloved leader, Comrade Kim Il-song; enumerates the various proposals which have been tendered recently such as talks between north-south high level political and military personages, various peace proposals and unilateral 100,000-man reduction in the armed forces, making Korea a nuclear-free zone, etc.; criticizes the U.S. imperialists for introducing over 1,000 nuclear weapons into Korea, keeping the U.S. air unit and attack forces in the Philippines and Japan on a permanent "urgent mobilization posture," etc.; reiterates objections to the various policies of the U.S. imperialists concerning

Korea; expresses support for the anti-U.S., pro-democratic movements in south Korea; calls for all to bring about a new revolutionary upswing in the 200 day battle and socialist construction to demonstrate once again the prestige and might of the fatherland; concludes by exhorting everyone to rally around the party central committee headed by the great leader, Comrade Kim Il-song and bravely fight for the independent, peaceful reunification of the fatherland and the ultimate cause of chuché.

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## MILITARY

### People's Army Role as 'Army of Leader' Kim Chong-il Strengthened

41070084 Seoul PUKHAN in Korean  
No 6, Jun 88 pp 196-197

[Article by Senior Researcher Mun To-lim: "Anniversary of Founding of Army Solidifies It as Private Army for Kim Chong-il"]

[Text] Although the regular army of north Korea—the so-called "Korean People's Army"—was actually established on 8 February 1948, they insist, as a link in the idolization of Kim Il-song and the fabrication of revolutionary tradition, that the "Korean People's Army" was founded in 1932 by Kim Il-song, when he was no more than 20 years old, for the 25 April anti-Japanese armed struggle. Based on this fabricated history, a Central Report Meeting on the 52d Anniversary of the Founding of the "Korean People's Army" was held on 24 April at the 8 February Auditorium in Pyongyang, with such party, government and military luminaries as Minister of People's Armed Forces O Chin-u, Premier Yi Kun-mo, Vice President Pak Song-chol and Chief of General Staff Choe Kwang in attendance. During this meeting, they focused on strengthening its role as the "army of the leader" and on further cementing it as a "revolutionary force."

In delivering the report, Chief of General Staff Choe Kwang emphasized that the "Korean People's Army" is rooted in the "Korean People's Revolutionary Army" founded and nurtured 56 years ago by Kim Il-song for the 25 April anti-Japanese armed struggle, and that it is a "chuché-type revolutionary army" that makes "the chuché idea" its unitary guiding ideology. Emphasizing such points as "the situation on the Korean Peninsula is becoming more aggravated as time goes by, with the problem of fatherland reunification more urgently requiring solution," he also made it clear that the task faced by the "Korean People's Army" as the private army of Kim Il-song is that of communist unification of the Korean Peninsula.

In particular, Choe Kwang boasted that an "all-people's defense system" has been built through implementation of the policy of arming all the people and turning the

entire nation into a fortress, and that they have a strong defense force capable of smashing any aggressor, making a big display of the fact that their system for preparing for war against the south is complete. In addition, on the 25 March Kim Il-song and Kim Chong-il, accompanied by such high-ranking military cadre as Minister of People's Armed Force O Chin-u, Chief of General Staff Choe Kwang and Commander of the Air Force Cho Myong-nok, visited military units and provided direct guidance on strengthening the combat effectiveness of the military.

On the same day, Premier Yi Kun-mo, Vice President Pak Song-chol, Party Secretary Yon Hyon-muk and other party and government cadre paid homage at the Revolutionary Martyrs Mausoleum on Mt. Taesong in Pyongyang. In addition, so-called "people's delegations" were sent out by shops and units throughout north Korea to pay consolatory visits to military units, during the course of which they joined together with the soldiers to sing songs of loyalty to Kim Il-song and Kim Chong-il. Prior to this, on 23 April, foreign military attaches posted to Pyongyang were invited to a commemorative banquet and film screening hosted by the Ministry of People's Armed Forces, and, in a display of military solidarity, similar gatherings were held in the north Korean embassies in Moscow and Beijing for host country military cadre.

In addition, in marking the 56th anniversary of the founding of the army, all north Korean propaganda organs, including newspapers and broadcasts, lauded the "force of leadership" of Kim Il-song and Kim Chong-il over the military, and called for absolute and unconditional loyalty to father and son Kim. Of particular note was the fact that north Korea used these propaganda organs in calling for the upholding of guidelines written by Kim Chong-il on "modelling the entire army after the 'chuché idea'" so as to further enhance the combat readiness of all the armed forces.

Taken as a whole, what was notable about events commemorating the founding of the army this time around was the emphasis—greater than any previous time—placed on propagandizing the leadership of Kim Il-song and Kim Chong-il over the military. In other words, north Korean propaganda acted in concert in celebrating this day by demanding of the military, as the "army of the leader and the army of the party," to "have their ranks singlemindedly linked to the leadership of the leader and the party center (Kim Chong-il)", and by calling for the final touches to be put on it as a revolutionary force against the south.

They also pointed out that "fiercely safeguarding and maintaining the revolutionary tradition of the party is the most important revolutionary mission of the People's Army," and emphasized that "our military will in the future firmly safeguard and protect by force the cause of the party, regardless of what storms may rage." Going beyond that, they returned time and again in their

comments to the forging of "loyalty" to Kim Chong-il, pointing out that "in order to safeguard and protect the party center, the military will be its fortress and its shield, and will fight with a spirit of absoluteness and unconditionality as taught by Comrade Kim Chong-il."

This forging of absolute and unconditional loyalty on the part of the "People's Army" toward Kim Chong-il can be explained as a confirmation of Kim Chong-il's absolute command over the armed forces. Kim Chong-il took advantage of the Sixth Party Congress in October of 1980 to launch a barrage of idolizing propaganda to strengthen his position as successor to Kim Il-song, and has been pouring his heart into reinforcing his position as successor through the positive exercise of supreme authority.

Accompanied by an entourage of such veteran military personalities as Minister of People's Armed Forces O Chin-u and Chief of General Staff Choe Kwang, Kim Chong-il has been engaging in frequent inspection tours, such as his inspection of the International Culture Hall in Pyongyang on 31 March. What this says, naturally, is that it is indeed the support of the military for the hereditary succession from father to son Kim that is the most important factor in a peaceful transfer of power.

Therefore, the fact that north Korea used the 56th anniversary of the founding of the army to make a call—more emphatic than ever before—in its actions and comments for safeguarding and preserving the military's revolutionary tradition and for loyalty to Kim Chong-il, can be interpreted as signifying that the stage has been reached for a gradual transfer of the "Korean People's Army" as the private army of Kim Il-song to the private army of Kim Chong-il. In addition, the fact that north Korea has recently been concentrating its efforts on applying Kim Chong-il's so-called guidelines for "modelling the army after the chuche idea" to the entire military can also be perceived as a link in the power succession campaign that is being waged to change the countenance of the military from that of "Kim Il-song's army" to that of Kim Chong-il's army.

9062

**Weapons Export, Military Support Detailed**  
*41070101 Seoul NAEWOE TONGSIN in Korean*  
*No 597, 15 Jul 88 pp 1J-6J*

[Text] (Seoul—Naewoe) It has been reported that north Korea sold various weapons and dispatched military advisors to 11 Asian, African, and Central and South American countries on an approximate total of 20 occasions during the past 3 years from 1985 to 1987. In this way north Korea attempted to strengthen solidarity, for the cause of so-called anti-imperialist struggle, with those countries.

Those countries to which north Korea sent military advisors and exported major weapons during the past 3 years are as follows: Iran, Libya, Togo, Madagascar, Central African Republic, Lesotho, Cuba, Nicaragua, and Uganda.

North Korea has reportedly built up solidarity in secret with these countries or anti-government organizations by means of exporting weapons and dispatching military advisors. The military advisors dispatched by north Korea, in particular, were taking part not only in military training but also directly in military action in some regions, it is reported.

Such north Korean reliance on exporting weapons and dispatching military advisors is aimed at increasing its political influence through the strengthening of solidarity with those countries it is dealing with.

In particular, its sale of weapons is believed to be working very effectively in gaining economically tangible advantages through acquiring foreign currencies. It is reported that, looked at economically, north Korea's current foreign debt amounts to approximately to \$4 billion. Not to mention the principal, it is failing to pay even the interest. Thus north Korea has fallen to the status of a country incapable of redeeming its debt.

Accordingly, north Korea has adopted an anomalous method of acquiring foreign currency, such as weapons export. And is using this as a means to escape the pressure of foreign debt, and also to raise funds needed to implement the economic plan designed to break the economic deadlock.

Weapons export is a dismal behind-the-scenes dealing between a country and an organization; so it is in fact difficult to find an exact scale of it and its realities. As for the scale of north Korea's sale of weapons, according to a U.S. Government report, dated 20 April 1988, on the world's military expenditures and weapons transactions in 1985, north Korea exported weapons worth \$380 million, or 27.5 percent of its total exports in 1985. Thus north Korea is now a country whose percentage of weapons export to its total amount of exports is the highest in the world.

Moreover, A. B. JAKARTA, (1 March 1986) a paper of Indonesia, revealed in a news report that during the 10 year period from 1974 to 1984, north Korea exported weapons worth \$2.4 billion to as many as 42 countries. Such a report as this not only attests to the fact that north Korea is one of those countries which export the largest amount of weapons in the world but also clearly backs up the fact that north Korea is throwing an enormous amount of energy into acquiring foreign currency through weapons export.

Meanwhile, as for the variety of weapons sold by north Korea, it was limited to small firearms and individual outfits in the 1960's. But from the 1980's on, [north

Korea] has exported even those heavy weapons, including MiG fighters, tanks, and patrol boats, in an effort to acquire foreign currency quicker.

The real status, recently revealed, of north Korea's weapons export and dispatching of military advisors is briefly as follows, by country and by year:

**Iran:** It is reported that in September 1985, north Korea sold 30,000 artillery shells, which were received from the PRC free, and that in February 1986, 26 military advisors were dispatched to help set up an air defense network in Iran.

During the past year, it is reported, north Korea sold PRC-made silkworm missiles worth approximately \$600 million. And in August [1987,] it is reported, weapons worth \$140 million, including radioartillery and artillery shells (240.70 mm), were sold.

In this year also, north Korea dispatched around 300 military advisors to Iran and is helping this country in its war with Iraq. And the total amount of north Korea's weapons export to Iran so far has reached more than \$1 billion, it is reported. This is the second highest weapons export next to the PRC.

**Libya:** In August 1985, north Korea dispatched 6 air force pilots to Libya in order to help train students of Libya's air staff college and also dispatched many special military advisors to help train special unit men, it is reported.

Furthermore, north Korea sold to Libya anti-aircraft guns and tanks which were worth approximately \$440 million during the period ranging from 1978 to the present, rendering support in strengthening Libya's armed forces.

**Togo:** It is reported that in August 1985, AK rifles and armored cars were sold to Togo, but, however, the amount and the sale price were not revealed.

**Madagascar:** It is reported that north Korea dispatched 12 MiG-21 pilots in order to help this country's air force training.

**Central African Republic:** In February 1986, it was reported that more than 8,000 north Korean soldiers, including MiG-21 and MiG-23 pilots, tank training soldiers, and training officers, were staying in this country.

**Zimbabwe:** It was reported that in February 1985, 20 armored transport cars worth approximately \$3 million were sold and 6 training officers were dispatched.

**Uganda:** From July 1985 when the Obote regime fell due to a military coup d'etat, north Korea's military assistance had ceased. Recently the military assistance to the current Museveni regime was launched. In December

last year, 60 surface-to-air artillery guns, 10 armored cars, 8 trucks armed with rockets, and Soviet-made SAM-7 tractive anti-aircraft guns were exported to this country. And special military advisors were dispatched to render assistance in training guerrillas.

**Peru:** It was confirmed by Agustin Mantilla, deputy minister of interior of Peru, that in February 1986, 10,000 AK rifles, 300 machineguns, and ammunition were sold to this country. In this year, too, it was confirmed by an announcement of the Peruvian Ministry of Interior that 10,000 AKM 65 automatic rifles and ammunition were sold.

**Cuba:** It was revealed when Castro, president of the Councils of State and Ministers of Cuba, visited north Korea that in March 1986, 10,000 AK rifles and ammunition were given to this country as aid.

**Nicaragua:** It was reported that in March of this year more than 300 military advisors were dispatched to help in military training and to stay in important facilities in order to support the Sandinista government.

Meanwhile, north Korea is launching military support activities for anti-government guerrilla organizations. In January 1985, a north Korean military advisor was captured by the government troops while he was taking part in guerrilla activities in the Morazan region of El Salvador. Thus it was confirmed that north Korea was rendering support to the rebel forces of El Salvador. And, in September 1985, it was also revealed that north Korea was rendering assistance to the LTTE group, a guerrilla group of the Tamil separatists in Sri Lanka.

north Korea's weapons export and military support are essentially based on its policy of seeking economic profits and its diplomatic principle that it must consummate the world revolution in compliance with the principle of proletarian internationalism. However, one may also say that north Korea is carrying out a mediating role there for the PRC and the Soviet Union.

7989

## ECONOMIC

**KCNA Reports Development of Mining Industry**  
SK2808155588 Pyongyang KCNA in English  
1511 GMT 27 Aug 88

[Text] Pyongyang August 27 (KCNA)—The last 40 years has witnessed a rapid development of Korea's mining industry under the banner of the DPRK.

The great leader President Kim Il-song has taught:

"Mining is the primary process in production and, for that reason, unless we give priority to this industry we can hardly develop the other sectors of the national economy at a normal rate."

President Kim Il-song, regarding the mining as the primary process in industry, long ago set forth a policy of keeping it ahead of the manufacturing industries.

While giving on-the-spot guidance to coal and ore mines, he gave concrete instructions on the directions and ways to increase coal and ore production.

In the 70s and 80s the mining industry of the country has quickly developed under the wise guidance and care of dear Comrade Kim Chong-il.

When he visited the Komdok General Mining Enterprise one day in July 1975, he went down to a deep underground pit and acquainted himself with the living conditions of workers and the supply service for their welfare and brightly indicated the road to be followed by the mine.

In recent years he directed the work to press on with the development of new coal mines and pits, the comprehensive mechanisation of tunnelling and coal cutting and the introduction of belt conveyor in carriage system.

Our mining industry has been equipped with up-to-date excavating machines and technique under the intelligent leadership of President Kim Il-song and the Workers' Party of Korea.

As a result, the amount of coal that was produced in a year under the rule of the Japanese imperialists is excavated in three days in the coal fields of Anju and the Komdok General Mining Enterprise turns out in a day as much ore as the mine produced in a year before the country's liberation.

With the production of 27,500,000 tons of coal in 1970 our country caught up with the advanced industrial states in the coal industry.

In 1975 the target of producing 50 million tons of coal, envisaged in the six-year plan, was attained and the plan for the production of minerals carried out one year and a half ahead of schedule.

The mining industry has rapidly developed in the period of the second seven-year plan, with the result that the uses of raw materials and fuel for industry have been further expanded and consolidated.

In this period the Anju District Coal Mining Complex, the Komdok General Mining Enterprise, the Musan Mining Complex and other large coal and ore mines were reconstructed and expanded on a vast scale and a large number of new coal and ore mines developed.

As a result, the target of producing 76 million tons of coal was hit with flying colors and the production of various valuable minerals sharply augmented.

Over the last ten odd years more than 50 large coal and ore mines and above 100 pits have been built. The coal production capacity has thus increased 1.8 times, iron ores 1.6 times and non-ferrous minerals over 2.3 times.

In this period new bases for the production of excavating mines and repair and maintenance bases have been built and the existing ones built on an expansion basis and about 200 long- and medium-distance belt conveyor lines laid. In this way, the level of technical equipment of coal and ore mines more than doubled, of which the number of comprehensive coal-cutters grew over 4.2 times and that of excavators over 2.7 times.

#### Coal Production Increases at Tokchon Complex

SK0908051188 Pyongyang KCNA in English  
0449 GMT 9 Aug 88

[Text] Pyongyang August 9 (KCNA)—The Tokchon District Coal Mining Complex has carried out 8,000 meters more capital tunnelling, slope pit tunnelling and preparatory tunnelling in the current 200-day campaign than in the same period of last year and thus secured large reserve coal deposits, which are more than the amount of coal produced in a year by the biggest coal mine of the complex.

The complex increased coal output 20 percent over last year's like period.

The Kangso District Coal Mining Complex is giving precedence to prospecting and stepping up the development of new pits to double coal production in the near future.

#### Smelter Commissions Nonferrous Metals System

SK2207050788 Pyongyang KCNA in English  
0458 GMT 22 Jul 88

[Text] Pyongyang July 22 (KCNA)—The September 21 smeltery has commissioned a new modern production system, thus expanding its nonferrous metal production capacity.

The new system is to extract non-ferrous metal out of leftovers from the existing production processes. All its processes from drying raw materials to disposing of products are streamlined.

At the chimney of the smeltery valuable metals are to be collected from the gas discharged by preceding processes.

The vast project for expanding its production capacity was completed in a matter of one and a half years.

**New Smelter, Mine Commissioned**  
*SK3008054988 Pyongyang KCNA in English*  
*0529 GMT 30 Aug 88*

[Text] Pyongyang August 30 (KCNA)—The Chonghwa Smeltery of the Nakyon Mine has been commissioned and a branch of the Toksong Mine built and put into operation on the threshold of the 40th anniversary of the DPRK founding.

The Chonghwa Smeltery with a total floor space of over 6,200 square metres is a modern base producing various non-ferrous metals by a new smelting method.

The construction of this smeltery opened a wide prospect for increasing efficiency of a smelting method suited to the characteristics of non-ferrous minerals of our country, completely doing away with pollution, collecting and dealing with all non-ferrous metals and further augmenting the production of non-ferrous metals.

The commissioning ceremony of the Chonghwa Smeltery was held on the spot on August 28.

An ore dressing plant has been built and hundreds of thousand tons of high-grade quality iron headings is annually extracted from iron sulphide ore which had been thrown away so far at the branch of the Toksong Mine equipped with modernized condensing machines, transport pipes, etc. with the result that it will be conducive to boosting rolled steel production.

The builders there have completed the construction of a branch equal to the building of a new mine in the period of the 200-day campaign.

Dear Comrade Kim Chong-il put forth a task of building the Chonghwa smeltery and the branch of the Toksong mine and solved the problem of necessary materials and equipment to finish the projects in a short span of time.

**Construction of Power Stations Increases**  
*SK1807042988 Pyongyang KCNA in English*  
*0425 GMT 18 Jul 88*

[Text] Pyongyang July 18 (KCNA)—The construction of small and medium power stations is being stepped up in the current 200-day campaign.

Out of 210 power stations put under construction this year, 50 have been commissioned and started production.

Builders of small and medium power stations in Yang-gang Province began building 30 power stations this year and have finished the construction of structures in the main. They are now stepping up the assembling of generators, looking ahead to the completion of over 10 of them in the near future.

In north Hwanghae Province 16 small and medium power stations have been built and put into operation this year.

The construction of 40 odd small and medium power stations is being pushed ahead in Yangdok, Sinyang and other counties of south Pyongyang Province.

**Power Stations Boost Output in 200-Day Campaign**

*SK1008043588 Pyongyang KCNA in English*  
*0426 GMT 10 Aug 88*

[Text] Pyongyang August 10 (KCNA)—Power stations under the power industry commission are keeping power production at a high level through the vigorous 200-day campaign.

The Pyongyang, Pukchang, Chongjin and other thermo-power stations boosted power production in July 23 percent as against that in the same month of last year by drastically increasing the rate of operation of equipment.

In July the Pukchang Thermo-Power Complex produced 190 million more kwh of electricity than in the same month of last year and the Pyongyang Thermo-Power Plant 29.1 million more kwh.

The Hochongang, Changjiangang, Pujongang and March 17 Power Stations are carrying out their daily and ten-day plans without fail.

Power industrial workers are now waging a dynamic drive for a rational supply of produced power to different fields of the national economy.

**Wiwon Power Station Starts Partial Operation**  
*SK3008055788 Pyongyang KCNA in English*  
*0538 GMT 30 Aug 88*

[Text] Pyongyang August 30 (KCNA)—The Wiwon Power Station, one more grand power base, has been built on the river Amnok and started partial operation.

This will greatly contribute to resolving strain on the country's demand for electricity and creating a generating capacity of over 1,200,000 kva.

This success is the brilliant realization of the party's policy on expanding and strengthening the productive and technical foundation of power industry and the proud labor fruit of the builders there.

Its partial operation ceremony was held on August 29.

**Taechon Power Station Begins Production**  
SK3108061188 Pyongyang KCNA in English  
0553 GMT 31 Aug 88

[Text] Pyongyang August 30 (KCNA)—Units Nos. One and Two of the Taechon power station, a major power producer of Korea, have been put into operation.

This has provided a firm guarantee to more fully meet the needs of the rapidly developing national economy for power and attain the 100,000 million kwh target of power envisaged in the new long-range plan ahead of time and enhance the level of modernization and scientization of the operation of the power system.

And the Taechon Dam and an auxiliary dam, which have been built successfully, have made it possible to irrigate 110,000 hectares of tideland now being reclaimed in north Pyongan province. There has appeared a 80 kilometre canal on the artificial lake created by the Taechon dam, which will make the inland transport all the easier.

The achievements made in the building of the Taechon power station are a fruition of the wise guidance of the great leader President Kim Il-song and the Workers' Party of Korea that unfolded a far-reaching plan of nature remaking and led in the van the work for its realisation, and a demonstration of the great vitality of the socialist independent national economy and the inexhaustible creativity of our heroic working class united with a single heart.

The commissioning ceremony of the units took place today.

**Targets of 200-Day Campaign Achieved**  
SK0908104488 Pyongyang KCNA in English  
1031 GMT 9 Aug 88

[Text] Pyongyang August 9 (KCNA)—Industrial establishments across the country have beaten their targets of the 200-day campaign one after another.

The August 9 factory fulfilled its assignments for the campaign at 101.5 percent on August 5.

During the time the factory boosted the production of mining equipment and equipment for major projects 40 percent over that in the pre-campaign comparable period.

The May 18 factory hit its campaign target 20 percent higher than the state plan nearly 50 days ahead of schedule. In this period the factory introduced 260 valuable technical innovation proposals into production, cutting the production cost of goods 10 percent.

The Kangwon Provincial Forestry Administration Bureau and the Namyang Saltern have attained their campaign goals ahead of the set time, increasing production 20 and 60 percent respectively compared with that in the corresponding period of last year.

The targets of the 200-day campaign were also hit by the Anju Communication Machine Factory, the March 26 factory, the Pyongyang Metal Building Materials Factory and many other factories.

**KCNA Reports Development of Metal Industry**  
SK2508151888 Pyongyang KCNA in English  
1503 GMT 25 Aug 88

[Text] Pyongyang August 25 (KCNA)—The last 40 years witnessed a rapid development of Korea's metal industry under the banner of the Republic.

With the solid independent and modern bases of the iron and steel industry Korea is meeting by herself the domestic demand for metal items of various kinds.

The great leader President Kim Il-song has taught: "... our metallurgy has now developed into a perfect industry with all necessary production sectors and its independence has further increased."

President Kim Il-song put forward the original idea of building an independent metal industry including the policy of increasing the independence of the metal industry and ensuring its fairly balanced development by constantly improving and perfecting the production structure and the policy of building new large-size metal industrial bases while putting the existing ones to best use in accordance with the developing reality, and wisely led the efforts for their materialisation in each period and at each stage of the developing revolution.

Under his wise leadership the metal industry which had had squalid colonial deformity in the production structure before the liberation of the country has been converted into a many-sided industry with production structures of various kinds from pig iron to steel, rolled steel and even goods of second-stage metal processing.

In 1960 the total value of industrial production grew 17 times as against 1946, a year following national liberation.

A more leaping development was achieved in the metal industry in the 70s.

A branch rolling mill with a capacity of one million tons, a 1,500 cubic metre blast furnace, a large continuous sintering furnace with a capacity of three million tons and many other modern metallurgical establishments were built and the existing iron and steel works and smelters were built on an expansion basis to be large metallurgical bases.

The metal industry has also been further modernised.

Notably, iron and steel works and smelters were equipped with up-to-date metallurgical facilities and industrial tv, automatic appliances and remote control system have been introduced in the main production processes with the active implementation of dear Comrade Kim Chong-il's policy of all-round automatisation. The independence and might of the metal industry have further increased in the 80s.

The project for creating a steel production capacity of more than five million tons in Chongjin area was successfully accelerated. As a result, 34 objects have already been completed and the Komdok General Mining Enterprise has been able to dress 15 million tons of ores a year.

The Pyongbuk smeltery has been built and the first-stage project of the Tanchon smeltery finished and many other smelters have been built on an expansion basis.

According to a leading official of the ministry of metal industry, in 1987 the production of pig iron increased 8 times, steel 24 times and rolled steel 20 times compared with 1947.

The production of iron ores increased to 103.7 percent, pig iron to 106.2 percent and rolled steel to 104.9 percent during the 200-day campaign as against the corresponding period of last year.

During the period of a new prospective plan, Korea will hit the target of producing 10 million tons of steel.

**Light Industry Reported Developing Rapidly**  
SK3008154288 Pyongyang KCNA in English  
1517 GMT 29 Aug 88

[Text] Pyongyang August 29 (KCNA)—The light industry of Korea develops in many-sided ways.

The output of textiles in recent one year was 297 times and that of shoes 310 times above 1946. The production of other consumer goods has jumped rapidly.

The per capita annual output of textiles in Korea will be 76 meters in the near future when the 1,500 million meter target of textiles, one of the ten long-range objectives of socialist economic construction, is attained, whereas it was less than 14 centimeters in the period of the Japanese imperialist colonial rule.

The great leader President Kim Il-song said:

"our light industry has now grown into a firm base for the production of a variety of consumer goods, capable of meeting the working people's needs."

President Kim Il-song laid down the policy of building an independent, modern base of light industry with our own efforts on the basis of the powerful heavy industry

and simultaneously developing the large-sized central industry and the minor local industry, and has wisely directed the work for its implementation.

He took steps to expand and modernize the base of the light industry and increase its output in each period and each stage of the revolution.

Under his wise leadership, the light industry of Korea has developed rapidly into an independent, modern base of the production of consumer goods with a many-sided departmental structure and a solid raw material base.

In the five-year plan period in the latter half of the 1950s and the first seven-year plan period in the 1960s, large factories of light industry were built, reconstructed and expanded, and many minor factories of local industry built. A large-sized vinalon mill was built and projects were dynamically promoted to build or expand the capacity of modern chemical fibre mills with the result that a solid chemical fibre raw material base of our own was laid.

In the six-year plan period beginning in 1971, qualitative changes took place in the infrastructure and technical equipment of light industry.

Large-sized cornstarch factories, flour processing mills, fruit, vegetable and fish processing factories, cold-storage factories and other processing mills of staple and non-staple food built in different parts of the country were consolidated.

During the second seven-year plan (1978-1984) the existing light industry factories were readjusted and reinforced and new modern ones built. As a result, the production capacity of light industrial goods as a whole increased markedly.

In this period, the annual output of textiles was 800 million meters, the output of foodstuffs and luxury items jumped 2.2 times and that of daily necessities 2.5 times.

Dear Comrade Kim Chong-il advanced the policy of making revolution in light industry to meet the growing needs of the working people for consumer goods, and has energetically guided the work of bringing about a great leaping progress in the production of consumer goods.

He said that basic items suited to the contemporary aesthetics and the liking of people should be produced through an all-people movement by tapping the reserves and possibilities. A vigorous drive for the production of "August 3 consumer goods" was launched, a radical change taking place in the production of consumer goods.

The development of light industry in Korea has a brighter prospect.

When completed, the Sunchon Vinalon Complex, a large-scale chuche-based and comprehensive chemical industrial center, will turn out in a year 100,000 tons of vinalon 250,000 tons of vinyl chloride, 250,000 tons of caustic soda and other chemical products.

Our light industry will develop more rapidly in reliance on a chuche-based raw material base and the production of consumer goods increase radically.

**Machine Complex Fulfills Campaign Goals**  
SK1808050188 Pyongyang KCNA in English  
0450 GMT 18 Aug 88

[Text] Pyongyang August 18 (KCNA)—The Yongsong Machine Complex, one of the nation's mighty bases of ordered equipment production, honored its commitments for the 200-day campaign at 107 percent on August 15.

During the period of fulfilling the plan, it sent more than 500 units of ordered equipment of 120 odd kinds to the Sunchon Vinalon Complex. They included 12 aggregates of equipment, which constitute the heart of the methanol unit of the complex, including a methanol compounding tank, a 46,000 cubic metre centrifugal compressor of crude gas and 4,000 cubic metre compressor.

The workers of the machine complex raised the daily output 30 percent, 50 percent at maximum, by applying 1,500 valuable technical innovation proposals in the period of the fulfillment of the plan.

**North Produces Own Style Buses**  
SK2608044188 Pyongyang KCNA in English  
0432 GMT 26 Aug 88

[Text] Pyongyang August 26 (KCNA)—Korea is stepping up the production of buses for the 13th world festival of youth and students.

The bus for the festival "Chipsam 88" manufactured at the Chongjin Bus Factory is of our own style, simple and smart.

The passengers will not feel tired in this 50-seat bus even when it runs a long way at a high speed.

The bus with extraordinarily large windows and a good ventilation system gives refreshing and light sensation. Its oil consumption is small.

The bus "Chipsam 88" of new type will be widely used for functions of the 13th world festival of youth and students and for inspection by foreign visitors and tourism.

**Nampo Shipyard Builds Ship To Fight Oil Pollution**

SK1407101588 Pyongyang KCNA in English  
1007 GMT 14 Jul 88

[Text] Pyongyang July 14 (KCNA)—The Nampo Shipbuilding Complex recently built up two modern oil-absorbing vessels.

They will be used to prevent pollution of the Taedong River which, at its estuary, has turned into a big man-made lake with the construction of the west sea barrage.

This vessel has been designed to absorb with a strong force the surface of water around ports, the west sea barrage and ship repair works and separate oil and dirt from water inside. All the work processes are operated automatically by modern devices.

The workers of the nampo shipbuilding complex built the modern oil-absorbing vessels suited to the specific conditions of our country in a short period of time, upholding the lofty intention of our party to prevent pollution of the Taedong River and keep it as a paradisic river for good.

**KCNA Reports Achievements in Railway Transport**

SK1608101988 Pyongyang KCNA in English  
1016 GMT 16 Aug 88

[Text] Pyongyang August 16 (KCNA)—Transport workers of various units under the Ministry of Railways have fulfilled their assignments for the 200-day campaign one after another.

According to data available, the Haeju Railway Administration, the Rajin Railway Administration, the Sohung Locomotive Corps, the Cholgwang Locomotive Corps, the Chongjin Railway Corps, and nine other railway corps, the Chongjin Communication Apparatus Factory, the Tumangang Sleeper Factory and three other factories and over 230 railway stations hit their campaign targets. More than 60 railway stations of them honored their yearly commitments.

The transport workers under the Rajin Railway Administration carried 760,000 more tons of freight in the period of fulfilling their assignments than in the previous comparable time by energetically waging an increased transport drive.

Ten odd railway stations under the Haeju Railway Administration carried out their yearly carriage plans more than five months ahead of schedule.

**Hyesan-Manpo Railroad Line Completed**  
SK2508104688 Pyongyang KCNA in English  
1039 GMT 25 Aug 88

[Text] Pyongyang August 25 (KCNA)—The laying of the Hyesan-Manpo railway line, the first-stage section of the northern railway lines along the Amnok river in the northern frontiers of Korea, has been completed and opened to traffic.

The new railway line has linked the eastern and the western parts of the country along the northern frontiers. As a result, the biggest railway loopline covering wide areas of the middle, east, north and west of the country has taken shape and the nation's railway networks have been rounded off to greatly contribute to rapidly developing the economy in the northern inland area and improving the people's living.

Lying close to the line are many revolutionary sites which are associated with imperishable feats of the anti-Japanese armed struggle organized and commanded by the great leader President Kim Il-song and the Mt. Paekdu secret camp where dear Comrade Kim Chong-il was born. The new railway line will help provide full conveniences to the endless stream of visitors here.

The railway builders finished in five years the laying of the 252 kilometre railway line and the construction of 42 railway stations, 76 tunnels stretching more than 26,400 metres and 116 railway bridges 6,300 metres in total length.

The completion of the railway line is a brilliant fruition of the chuche-based railway construction plan of President Kim Il-song and our party.

President Kim Il-song unfolded a grand blueprint to lay new railway lines linking the east and the west of the northern inland area, indicated the direction and ways of laying the lines and wisely led the builders to press ahead with the project.

Comrade Kim Chong-il assigned young people to the task of laying the northern railway lines and has energetically guided the railway construction on the whole, solving all the problems arising in their work and life.

A ceremony took place on the spot today to open the Hyesan-Manpo youth line to traffic.

**Builders Promise Continued Early Completion of Railways**  
SK2708100988 Pyongyang KCNA in English  
1003 GMT 27 Aug 88

[Text] Pyongyang August 27 (KCNA)—Youth and railway builders met in Popyong, Yanggang Province, on August 26 to vow to carry out with success the militant task set forth in the congratulatory message of the Central Committee of the Workers' Party of Korea to the

youth shock brigade members and railway builders who performed exploits in the construction of the Hyesan-Manpo Youth railway section.

Choe Yong-hae, chairman of the Central Committee of the League of Socialist Working Youth of Korea, delivered a report, which was followed by speeches.

The reporter and speakers said that the youth shock brigade members and railway builders, not content with the achievements already made, should continue their vigorous march to complete the building of the whole section of the northern railways within the long-range plan period ahead of the set time. They proposed concrete measures for this.

They said they would create a high speed in the building of another section of the railways with the same matchless grit and indomitable fighting spirit as they displayed in the first-stage project of the northern railways under the wise leadership of the party and the leader, and thus firmly prepare themselves as youth vanguards of the 80s faithful to the party's leadership.

For the present, they stressed, we will accelerate the electrification of the first-stage section and concentrate efforts on the second-stage project so as to build the northern railways into a monumental edifice of the workers' party age.

**Fertilizer Plant Begins Production**  
SK1307105588 Pyongyang KCNA in English  
1001 GMT 13 Jul 88

[Text] Pyongyang July 13 (KCNA)—Production began on the first line of the Hukposan Fertilizer Plant of the Namhung Youth Chemical Complex.

The modern Hukposan Fertilizer Plant built in Anju district with favorable conditions of raw materials will contribute to hitting the grain target envisaged in the third seven-year plan.

The great leader President Kim Il-song put forward the task of building this plant which is of weighty significance in the widespread use of chemicals in agriculture in Anju district with rich raw material deposits and dear comrade Kim Chong-il took measures to construct the plant in a short period.

The builders, upholding the intentions of President Kim Il-song and of the party, increased the speed of construction by more than 1.5 times, thereby erecting in a brief time some 20 productive buildings and a belt conveyor line stretching hundreds of metres.

Those who had undertaken the assembling of equipment assembled thousands of units including an oxidizing tower and a crushing machine in two months. The

Kumya Hukposan An Fertilizer Plant now under construction in a building lot of more than 32,000 square metres will go into operation before long.

## FOREIGN RELATIONS, TRADE

**Seoul Paper Examines Continuing Soviet Economic Support of DPRK**  
41070086 Seoul NAEWOE TONGSIN in Korean  
No 591, 3 Jun 88 pp 1J-8J

[Text] Since Kim Il-song's visit to the Soviet Union in May 1984, north Korea and the Soviet Union have continually strengthened their friendly and cooperative relations in many areas, and Soviet economic and technical support toward north Korea has continued.

Since Kim Il-song's visit to the Soviet Union, the progress of economic cooperation between north Korea and the Soviet Union has been based on the establishment of the following: north Korean Premier Kang Song-san's visit to the Soviet Union in December 1985, which resulted in the "agreement of economic and technical cooperation" and the "treaty of economic and technical cooperation in the construction of an atomic power plant," and Kim Il-song's visit to the Soviet Union in October 1986, which established economic cooperation until the year 2000.

In particular, the "agreement creating the joint-venture companies" and the "agreement on procedures for direct establishment of manufacturing, scientific and technological relations between the concerned organizations and enterprises" are noteworthy since they present a new type of Soviet economic support toward north Korea.

Most of the above agreements are to be implemented over the period of the 12th 5-Year Plan (1986-90) which is currently being carried out by the Soviet Union. The agreements encompass a total of 19 areas, including the East Pyongyang Thermoelectric Power Plant, fireproof material factory, expansion of the Anch'u Coal Mine, a geological survey, mining in the northern region, and construction of an ore-separation complex. The Soviet Union is to provide equipment and technology in those areas.

This demonstrates that Soviet economic support toward north Korea focuses on all of the key industries in north Korea, such as electric power, mining, steel, electric, and machine industries, and that the success or failure of the Third 7-Year Plan of north Korea (1987-93), which is currently being implemented, depends on it.

The following is the present status of the facilities of the key industries which are either currently under construction or being expanded with Soviet support.

**Electric Power Industry:** Soviet support is currently being provided for the extension work of Pukchang Thermoelectric Power Plant and the construction of Sunchon Thermoelectric Power Plant, East Pyongyang Thermoelectric Power Plant, and the nuclear power plant.

The previous extension work of the Pukchang Thermoelectric Power Plant in March 1985 increased its output capacity of 1.2 million kilowatts to 1.6 million kilowatts. The current extension work is aimed at increasing its capacity to 2 million kilowatts.

Construction of the East Pyongyang Thermoelectric Power Plant plans for a 600,000-kilowatt capacity. The first phase of the construction is currently in progress and will generate 200,000 kilowatts of output. Construction of the nuclear power plant, which is the first of its kind in north Korea, aims for a total output capacity of 1.76 million kilowatts. To this end, the issue of Soviet support in the construction of the first 440,000 kilowatt capacity is reportedly being negotiated.

The Sunchon Thermoelectric Power Plant is aimed at a total power generation capacity of 200,000 kilowatts. With completion of the construction of the third unit in May 1988, which has a 50,000-kilowatt capacity, the plant is presently generating 150,000 kilowatts.

**Mining Industry:** Currently in the works are enlarged facilities at Anch'u Coal Mine, Kumya Coal Mine and Unpa Lead and Zinc Mine and the construction of Songjin Fireproof Material Factory.

Up to 1985, the following coal mines had been developed with Soviet support: Samchonpo, Taehyang, Ipsok, Yongnim, Sinri, Chilli, and Yonpung. With development of Changdong Coal Mine in 1986 and Sosa Coal Mine in 1987, the Anch'u Coal Mine complex now provides a production capacity of 7 million tons per year.

At present, the following three coal mines are being developed: Soho (1 million tons), Chongnam (1.5 million tons) and Hwapung (1.5 million tons).

In addition, the following works are in progress: extension of Musan Mine, which is the largest iron ore mine in north Korea with an estimated 1.3 billion tons of iron deposits, to increase its current capacity of 5.5 million tons to 10 million tons; and extension of Songjin Fireproof Material Factory (whose current production capacity is 1.5 million tons per year) which specializes in production of magnesia clinker, which is a raw material for fireproof bricks.

**Steel Industry:** At present, the second-phase extension work is being carried out at the Kimchaek Steel Mill to increase its current production capacity of 1.5 million tons [per year] to 2.4 million tons [per year].

In April 1988, a total of 34 items included in the plan to enlarge facilities, such as a large converter, have been completed. North Korea is now focusing its energy on the construction of the remaining 20-some items, such as a converter shop, continuous ingot shop and heating furnace shop.

**Electric Industry:** Work to enlarge the Pyongyang Enamel Wire Factory, which has a production capacity of 11 million tons [per year], continues to be carried out.

**Machine Industry:** Work to enlarge the Hwachon Machine Tool Factory began in February 1987, and as its first-phase project an integrated finishing shop of milling cutters is currently under construction. In addition, still in the planning phase are construction of factories which manufacture different kinds of automatic machines and construction of an integrated shop for casting.

On the other hand, in contrast to the fact that north Korea is feverish in propagating the administrative achievements of the father-and-son Kims, such as the chuche economy and self-reliance, the Soviet Union is calling attention to its economic influence over north Korea by proclaiming, whenever possible, that it has provided north Korea with economic and technical assistance in more than 60 areas in the past in addition to the above-mentioned economic support currently in progress.

According to the Soviet claim, its current support for north Korea amounts to: 65 percent in the electric power industry, 33 percent in the steel industry, 38 percent in the rolled iron and metal industry, 50 percent in the manufacturing of petroleum-related materials, 20 percent in the textile industry, 14 percent in the chemical fertilizer industry, and 42 percent in the iron ore area. This reminds us that almost half of the key industries in north Korea are dependant on Soviet economic and technical support.

Following is the present status of the key facilities in north Korea which have received Soviet support in the past.

#### Present Status of key North Korean Facilities Built with Soviet Economic and Technical Support

##### 1. 1954-60

Twenty Facilities Restored, Reconstructed or Newly Built With a Total of 1.3 Billion Ruble Provided by the Soviet Union: (1) Supung Hydroelectric Power Plant (for the first period); (2) Songjin Steel Mill; (3) Kimchaek Commemoration Chongjin Chigum Plant; (4) Nampo Nonferrous Metals Plant; (5) Hungnam Nitrogenous Fertilizer Plant; (6) Mokkung Hydrochloric Acid Factory; (7) Madong Cement Plant (output: 400,000 tons per year); (8) Chonnaeri Cement Plant Annex Slate Factory; (9) Sariwon Tractor Repair Plant (output: 300 units per year); (10) Kilchu Plywood Mill; (11) Pyongyang Furniture Factory; (12) Two railroad transformer

substations; (13) Railway bridge over Tuman River; (14) Textile complex (annual production capacity: 65 million meters); (15) Pyongyang Silk Thread and Silk Cloth Factory (annual production capacity: 10 million meters of silk cloth); (16) Dye and bleach factory (annual production capacity: 45 million meters); (17) Fish cannery in Sinpo; (18) Meat processing complex in Pyongyang; (19) Broadcasting station in Pyongyang; (20) Pyongyang City Hospital (600 beds)

##### 2. 1960-70

Eleven key facilities among the 38 facilities constructed or reconstructed with Soviet technological assistance: (1) Oxygen converter that produces 1 million tons of steel per year at Kimchaek Commemoration Chigum Plant in Chongjin City; (2) Hot rolling mill for an annual production capacity of 850,000 tons of steel plate at the above factory; (3) Thermoelectric power generation station (output: 400,000 kilowatts) and an ammonia and polyvinyl chloride factory in Pyongyang; (4) Pukchang Thermoelectric Power Plant (output 1.2 million kilowatts); (5) Ungki Oil Refinery Plant (processing capacity: 2 million tons); (6) Enpin Coal Cutting Plant (extraction capacity: 1.2 million tons); (7) The first coal mine in the Anchur region (coal mining: 1.5 million tons); (8) Medium-wave broadcasting station (output: 1,000 kilowatts); (9) Enamel wire manufacturing factory (annual production: 6.5 million tons); (10) Wireless communication branch line and a television relay wireless communication trunk line between Pyongyang and the Soviet border.

##### 3. 1981-85

Nine facilities currently being constructed or reconstructed with a long-term loan from the Soviet Union: (1) Kimchaek Commemoration Chigum Plant; (2) Taldong oxygen factory in Nampo City; (3) Pyongyang Small Electric Motor Factory (capacity: 10 million units); (4) Bearing factory in Yongsong City (output: 10 million units of ball bearing); (5) Pukchang Thermoelectric Power Plant (output: 1.6 million kilowatts); (6) Chongjin Thermoelectric Power Plant (output: 150,000 kilowatts); (7) Aluminum plant in the Anchur region (output: 23,000 tons); (8) The second and third coal mines in the Anchur region that possesses a total output of 2.5 million tons.

**Miscellaneous:** Taedong River storage Battery Factory and the expansion of hot and cold rolling mills in Kimchaek Commemoration Chigum Plant.

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**NAEWOE TONGSIN Reports Kim Il-song Visit to Mongolia, PRC, Soviet Border Towns**  
41070092 Seoul NAEWOE TONGSIN in Korean  
No 596, 8 Jul 88 pp 1C-7C

[Text] Kim Il-song of north Korea returned on 6 July from his official visit to Mongolia that lasted from 28 June to 1 July.

It was Kim Il-song's first visit to Mongolia in 32 years since July 1956. This visit was made possible by the invitation from Jambyn Batmonh, chairman, Presidium, People's Great Hural. Jambyn Batmonh visited north Korea in November 1986 when Kim Il-song was rumored to be dead, and Kim's recent visit is seen as a return visit.

In addition, in terms of timing, Kim's recent visit to Mongolia is viewed simply as a goodwill visit since there was no urgency at this time.

Kim Il-song was scheduled to visit Mongolia from 28 June to 1 July, but Kim traveled by train instead of airplane. As he passed through the territories of the People's Republic of China and the Soviet Union, there were large and small receptions at every stopover, making his trip as long as 13 days.

On his way to Mongolia, Kim Il-song stopped over at PRC border towns, including Tandong, Shenyang, Changchun and Manzhouli and at every city and station he was passing through high-ranking officials of the PRC came to the train depot to provide official ceremonies for welcoming and sending him off. On his way back to Pyongyang after his visit to Mongolia, Kim was welcomed by the Soviet authorities while he was passing through the border towns of Mongolia and the Soviet Union.

While staying at Khabousk in the Soviet Union during 4-5 July, Kim was welcomed by Murakhovskiy, the first deputy chairman of USSR Council of Ministers.

In return, Kim dispatched a "telegram of thanks" that expressed his gratitude to the leaders of parties and nations of both the PRC and the USSR.

The fact that Kim visited PRC and Soviet border cities while visiting Mongolia, which is bordered by both the PRC and the USSR, and which has been maintaining a pro-Russia policy, again suggests his policy of equidistant diplomacy toward the PRC and the USSR.

Historically, the development of the relationship between north Korea and Mongolia has been directly and indirectly influenced by their relationships with the PRC and the USSR. Such a bilateral relationship was strengthened early on when Kim Il-song visited Mongolia in July 1956 to obtain support for a 5-year postwar restoration plan, and both countries adopted a base for cooperative relationship calling for a close friendship with Yumjagivn Tsedenbal, then prime minister of Mongolia visiting north Korea in October 1956 and signing an economic and cultural agreement.

Since 1962, however, the PRC-USSR relationship was weakened, and Mongolia backed the USSR while north Korea stood by the PRC. The bilateral relationship

rapidly cooled, but since the mid-1970's when the PRC-USSR dispute subsided, the two countries have resumed a normal relationship calling for cooperation and exchange.

Since then, both countries have actively participated in trading based on a mutual economic cooperation agreement, while frequently engaging in exchange of representatives of party and government, and participating in sports and cultural events.

In particular, as north Korea has recently begun actively supporting the pro-Russian line, the bilateral relationship is getting even stronger.

As if they support such a fact, the Mongolian newspapers and broadcast stations rushed to report feature articles on welcoming Kim, and the Mongolian parties, government agencies, and social organizations dispatched congratulatory telegrams, fostering an unprecedented atmosphere of friendly reception. In addition, Kim was given a (Ssubatar) decoration, which is the top decoration of Mongolia, and was invited to a welcome banquet (on 29 June) and to a people's assembly of friendship (on June 30). Altogether Kim was received more hospitably than any other visitor.

A noteworthy outcome of Kim Il-song's recent visit to Mongolia is an agreement to create an "Economic, Scientific and Technological Committee."

Kim Il-song and Jambyn Batmonh attended a ceremony to sign the agreement on 30 June, which was signed, by their representative led by Yun Ki-pok, the first department chairman of the north Korean Budget Committee who accompanies Kim Il-song on this trip and the Myatabyn Pelijee chairman of the Council of Ministers.

The economic cooperation between north Korea and Mongolia has been maintained through a mutually supportive trade, and recently such an economic cooperation has been gradually developing into many areas, such as the north Korean entry into development of coal mines in Mongolia under a joint venture. In particular, because of the agreement in creating the Economic, Scientific and Technological Cooperation Committee, which resulted from the two meetings (during 29-30 June) between Kim Il-song and Jambyn Batmonh, the two countries are expected actively to promote economic exchanges in the form of joint ventures.

During his visit to Mongolia, it was also noted that Kim spoke of the problems on the Korean Peninsula during official meetings such as the welcome reception and mass conference.

At the welcome reception in Ulan Bator on 29 June, held by Presidium Chairman Jambyn Batmonh, Kim repeatedly stressed, "There certainly lies a great obstacle to the reunification of Korea," confessing his thought that the problem will not be resolved soon because of ideological differences.

And during his speech at a mass rally on 30 June, Kim said that preparation of a favorable atmosphere for the relief of tensions and peaceful reunification on the Korean Peninsula should be carried out through conversations and negotiations between the concerned parties. In addition, he stressed his previous proposals for the relief of tensions, such as the tripartite conference that he brought up in early 1984, which included: conclusion of a peace accord between the U.S. and north Korea; adoption of a nonaggression pact between south and north Korea; and denuclearization of the Korean Peninsula.

Especially, Kim Il-song criticized that growing tension in the Asian region, including the Korean Peninsula, is the result of the "aggressive policy" of the United States. Referring to the ratification of an agreement for abolition of intermediate nuclear missiles at the U.S.-USSR summit conference which was held in Moscow in May, Kim predicted that a successful result of the U.S.-USSR summit conference could lead to a positive impact on a peaceful resolution of the problems on the Korean Peninsula.

While expressing his view of the situation on the Korean Peninsula, Kim openly indicated his intent to deal with the United States directly, saying, "Our doors have remained open for a long time for conversations with the United States," an antinomy of his attitude toward the United States.

In connection with the issues of the Korean Peninsula, the most noteworthy part of Kim Il-song's speech was when he stressed, "We strive for realization of conversations with south Korean authorities and all parties and factions and representatives of various circles of south Korea," and "We shall demolish the barrier that separates us, and we shall accomplish the historically great task of reunifying our fatherland." This part of his speech addressing the south-north talks was Kim's first expression of his intent to open conversations with south Korean authorities, which is sufficient to call attention. Although Kim's speech is related to the Joint south-north Meeting that north Korea is advocating, it appears to be one step forward from the point where north Korea excluded south Korean authorities. However, in view of the north Korean position insisting upon a conference excluding the south Korean Government authorities, demonstrated recently in the development of the south-north Student Conference, Kim's statement concerning "south Korean authorities" could be simply a meaningless gesture of peace which is aimed at external propaganda effects.

**Technical Cooperation Among Developing Countries Urged**  
41000027 *Pyongyang FOREIGN TRADE in English*  
No 8, 1988 pp 4-5

[By "Associate Professor" Kim Kyong-hyon]

[Text] The great leader President Kim Il-song delivered a historic speech "Let Us Develop South-South Cooperation" at the Extraordinary Ministerial Conference of Non-aligned Countries on South-South Cooperation held in Pyongyang, the capital of the Democratic People's Republic of Korea, in June 1987.

In his speech the great leader set forth south-south cooperation in the field of science and technology as one of the important tasks for the developing countries to attain economic and technological independence and to build a new society.

The great leader President Kim Il-song said:

"South-south cooperation in the field of science and technology is very important for the developing countries in making economic and technical progress."

South-south cooperation in the field of science and technology is of great significance for the developing countries in solving by themselves the scientific and technological problems arising in the building of an independent national economy and in making economic and technical progress, not turning to the imperialists for help.

The imperialists use science and technology as a means of subordination and plunder.

The imperialists who obstructed stubbornly the dissemination of technology to colonial countries in the past are trying to make a monopoly of science and technology even today.

When the imperialists, who regard science and technology as a means of plunder and of making money, export technology or offer technical service, they ask for an extravagant amount of money. The techniques and machinery delivered by the imperialists under the specious name of so-called "technical cooperation" are all out-of-date.

Due to the predatory and egoistic policy of the imperialists, the difference in the development of technology between the developing countries and the imperialist countries is becoming larger.

Thus, the economic development of the developing countries has been delayed and non-equivalent exchange between the Western and the developing countries on the world market has become more prevalent, with the result that more wealth flows into the Western countries from the developing countries.

All the fact shows that the developing countries cannot make economic and technical progress by depending upon imperialism.

Under such condition, the developing countries can find a way out for the economic and technical progress only by realizing south-south cooperation in the field of science and technology.

Because of the community of their positions and aspirations, the developing countries have common interest in realizing south-south cooperation as well as scientific and technological potentialities to cooperate and exchange each other.

They have made considerable progress in the economic and technical development in the course of building a new society for scores of years after independence.

If over 100 developing countries offer one kind of good experience or technique, more than 100 kinds of good experiences and techniques can be collected.

If the developing countries exchange them, they can solve big problems.

Some developing countries have laid down a firm foundation of the independent national economy by effecting the industrialization of the country and produce up-to-date machines and equipment and complete equipment for factories and some developing countries, though they have not yet attained economic independence, have good experience and techniques in many fields of economy. All these experiences and techniques achieved in the course of building a new society are fully suited to the reality of the developing countries which are waging a struggle to remove the colonial one-sidedness and deformity and to achieve economic independence.

Not a few developing countries have scientific research centres and scientific and technological force that can push forward the development of economy and technology.

Under such circumstances, if the developing countries carry out the mutual exchange and cooperation in the field of science and technology, they can solve not a small number of scientific and technological problems arising in the building of a new society without depending upon the developed countries. Today the developing countries are solving a number of scientific and technological problems arising in economic construction through bilateral or multilateral forms and methods. This vividly proves the importance of south-south cooperation in the field of science and technology.

The developing countries should actively expand and develop south-south cooperation in the field of science and technology in such a way that those countries which have experiences supply them, those countries which

have experts send them and those countries which produce up-to-date machines provide them.

One of the urgent problems arising in the expansion and development of south-south cooperation in the field of science and technology is to effect privileged cooperation.

It is of tremendous importance for the developing countries to get more scientific and technological achievements with limited fund.

Not a small number of the developing countries are short of fund. Under such condition, if they effect privileged cooperation in the position of mutual assistance, they can solve fund problem arising in developing science and technology.

The developing countries should not request high remuneration when they send technicians and experts to other countries for technical cooperation, and should offer technical documents and the like free of charge.

An important problem arising in expanding and developing south-south cooperation in the field of science and technology is that the developing countries should build centres for training technical personnel and scientific research institutes, train able scientists and technicians more and on the basis of this assimilate advanced technology widely.

That not a few developing countries cannot develop rapidly science and technology is largely related to the fact that the material and technical foundation for the training of technical personnel and scientific research has not been firmly built. Under such realities, it is indispensable to develop quickly the work in this field for making economic and technological progress. Accordingly, south-south cooperation in the field of science and technology should actively contribute to solving this problem.

The developing countries should share experience gained in the establishment of technical personnel training organizations and scientific research institutes and their management, the building of their material and technical foundation and the introduction of results of research work and take proper measures to organize joint research and technical cooperation. At the same time, those countries which have laid down the material and technical foundation for the training of technical personnel and scientific research and developed economy and techniques should render selfless cooperation and material and technical aid to the countries which are not in the same position with the former.

By introducing widely the latest achievements of modern science as early as possible, all the developing countries should make every effort to expand and consolidate the

foundation of an independent economy and push forward vigorously the construction of a new society.

One of the important problems arising in realizing south-south cooperation in the field of sciences and technology is to organize an international organization serving for the technical development of the developing countries and effect actively cooperation and exchange through it.

The scientific and technological centre of the nonaligned and developing countries can play a positive role in expanding south-south cooperation in science and technology to meet the desire and aspiration of the people of these countries.

In February, 1985 the representatives of the nonaligned and developing countries held a meeting at the UN Headquarters and adopted a rule on the founding of an international scientific and technological centre and signed it. The Extraordinary Ministerial Conference of Nonaligned countries on south-south Cooperation held in June last year in Pyongyang urged its early foundation.

The developing countries should establish the scientific and technological centre as early as possible and see to it that it will contribute to mobilizing the scientific and technological potentialities of these countries and to solving urgent scientific and technological problems arising in this field.

In the past the Government of our Republic rendered economic and technological cooperation and aid to many developing countries proceeding from the desire to expand south-south cooperation.

Today our competent scientists and experts are sent abroad to give selfless cooperation to many developing countries on the spot with the scientific and technological experience and knowledge achieved in many fields of the national economy including industry, agriculture and public health.

According to the three-year plan for the development of science and technology, our country is making efforts to put the nation's science and technology on a world level through the development of major scientific domains including electronic engineering, biology and heat engineering. This will enable us to further develop the economic and technical cooperation and exchange with other countries.

As in the past, so also in the future, the Government of our Republic will actively contribute to the realization of co-prosperity by widely effecting cooperation and exchange with other developing countries in the field of science and technology.

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